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Supporting Help to Save communications

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Ipsos MORI

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Executive summary

Background

- Help to Save is a Government backed **digital account** designed to encourage and support people on low incomes to build up savings. Help to Save will allow eligible customers to **save up to £2,400** and receive a **Government bonus of up to £1,200** over four years. Help to Save accounts have started as part of a trial from January 2018, rolling out in stages to increasing numbers and available to all those eligible by October.
- To be eligible for Help to Save, customers must be:
 - receiving Working Tax Credit (WTC); or
 - have a nil award of WTC but are receiving Child Tax Credits;
 - or claiming Universal Credit (UC) and have household earnings at least the equivalent of 16 hours per week at the National Living Wage (NLW) in their prior UC assessment period.
- Ipsos MORI conducted research on behalf of HM Revenue and Customs (HMRC) that aimed to understand the saving behaviours of the target population and explore how they can be encouraged to open and regularly save with the account. The research comprised; a **telephone survey** with 750 Working Tax Credit (WTC) customers, including a segmentation analysis on savings attitudes and behaviour, **28 interviews** with eligible WTC and UC customers, and **two discussion groups** with eligible customers.

The target population for Help to Save

- WTC customers were predominantly female (66%), predominantly white (73%) and generally young (65% were under the age of 45, while 35% were 45 and above). Almost eight in ten (78%) lived in households with dependent children and the majority (58%) of households were renting, either in the private (31%) or in the social rented sector (27%). A majority (57%) were educated to a GCSE/Vocational/A level standard and one in five had a degree (22%) or above.
- A majority were in paid employment either working exclusively for an employer (57%) or a combination of paid work and self-employment (3%). Over a quarter were self-employed while one in eight (12%) were not working. A majority of those not currently working had caring responsibilities (64%). A quarter (27%) of WTC customers' gross household income was £1,000 per month or less while four in ten (40%) had gross household income of between £1,000-£1,999 per month and one in ten indicated gross household income of £2,000 or more.

- Segmentation analysis of the survey with WTC customers based on their propensity to, and attitudes towards, saving resulted in identification of five segments. These are listed in order of propensity to save in the future and assumed likelihood to take-up a Help to Save account:
 - Confident and capable savers (22%): These customers are most informed about saving and least anxious about their ability to save.
 - Constrained savers (27%): These customers also feel well informed about saving and have a strong saving mentality although are typically anxious about their finances and they currently struggle to save.
 - Uncertain savers (11%): These customers try to save but often struggle with day-to-day budgeting. They do not feel informed about savings nor are they confident in their ability to save.
 - Disengaged non-savers (22%): These customers have low ability to save, often prioritising immediate expenditures, and budgeting on a short-term basis. When they do save, it is irregularly and for short-term goals.
 - Resistant non-savers (19%): These customers are the least likely to have saved in the past, be intending to save in future and are likely to be most difficult to encourage to save.

Behaviours, attitudes, barriers, and motivations to saving

- The majority of WTC customers (59%) had **no current savings**, and only just over half (56%) had **ever saved** any of their income; the proportion who had saved ranged from 81% among confident and capable savers to 35% among Resistant non-savers. There were also demographic differences: for example, experience of saving was more prevalent among women than men, and among owners than renters.
- Among those who had saved at some point, only a minority (23%) had **saved on a regular basis**¹ in the previous 12 months. They were more likely to have saved 'from time to time' (61%). In addition, customers also tended to **save for short term, rather than long term, goals** (49% compared with 24%).
- However, a clear and consistent majority of customers recognised **the value of saving**, with 87% agreeing that '*saving today will ensure they have a better life in future*'. In addition, only a minority (31%) tend to prioritise immediate expenditures over saving for the future, while around half (52%) report they do not.
- While the value of saving was recognised by many, a hesitancy to save commonly reflected **practical difficulties**. Two in five customers said they run out of money very or fairly often

¹ Regular basis defined as "week to week or month to month".

before the end of the week or month while 75% reported a preference for money to be easily accessible rather than committing it for the long-term.

- The main **financial priority** was paying bills or making ends meet, mentioned (unprompted) by three-quarters (74%) of customers. Other priorities included family-related costs (27%) buying or moving house (10%) and clearing debts (10%).
- When asked **what motivated them to save money**, customers most frequently mentioned unexpected expenditures for a 'rainy day' (41%), holidays and leisure (28%), and other family members (19%). Most customers (62%) did not have any **specific saving goals**, although 36% did mention at least one specific goal, most commonly buying or moving house (16%).
- For those customers who had never saved (43%), the **primary barrier to saving** was seen as affordability. Almost nine in ten (86%) said that they had never saved because they could not afford to.
- When asked about specific savings options, customers were most attracted by 'a **government-backed savings account that gives you 50p for every pound saved**'. Nine in ten customers (89%) said this would be 'likely' to encourage saving, including 70% that said it would be 'very likely' to encourage them. This was most popular among Constrained savers and Uncertain savers (83% and 81% 'very likely' respectively).
- **Account safety and ease of use** were also attractive to customers. Eight in ten (83%) felt that *an account where your savings are guaranteed to be safe* would encourage them to save, and a similar proportion (83%) said this about *an account that is easy to understand and manage*.
- If customers were choosing a new saving service or product, the **most important types of information** would be the benefits of the service or product (40%), the terms and conditions (22%), restrictions around using it (21%), information about interest rates (17%), the financial cost of the service or product (15%) and information about accessibility or withdrawals (10%).
- Customers would be most likely to go to a bank or building society **for help or advice on savings** (49%), followed by a friend or family member (27%).

Customer views on Help to Save

- Regardless of current saving behaviours, participants in the qualitative research generally **responded very positively** to information provided about the Help to Save scheme. The Government bonus of **50% on savings was seen as an excellent incentive** to encourage people to save more or to start saving for the first time.
- **Concerns and questions** about the scheme focussed on: eligibility criteria, the possible impact on benefit claims, and how future policy changes could affect customers' savings or bonus. These issues are **likely to affect decisions to open an account**.

- Information provided about the scheme was generally well understood, although participants found it more difficult to understand how the bonus to the second savings period would be applied. They found the **concept of exceeding the balance in the first period confusing** and difficult to apply to examples. There should be a clear explanation so customers can make best use of the account.
- Setting-up and managing the account online was generally not seen as an issue **as levels of digital capability were high**. Some 96% of all WTC customers surveyed had access to the internet and 85% said they were confident using it. Customers who lack confidence said this would not necessarily put them off opening an account as they could ask a friend or relative to help them.
- Customers' **use of the account is likely to vary** depending on current savings behaviours, with current savers most likely to make full use of the account limits. Non-savers are likely to pay in less often, and with lower amounts, but think they will benefit from the account.

Communicating Help to Save

- While television adverts and social media were generally viewed as good channels for promoting savings products and services, participants in the qualitative research believed these channels would be inappropriate for Help to Save. They were concerned that adverts would require people to figure out if they were eligible for the scheme, which could lead to disappointment among those who were not. There were also concerns that a large campaign would be expensive and may draw negative media attention to the policy.
- Instead, customers believed that **direct channels, using existing touchpoints with Government, would be most appropriate** for communicating the Help to Save scheme. They believed this would allow for a more targeted campaign that would remove questions or concerns about eligibility.
- The use of **Government branding** for the scheme was generally viewed positively with a majority (58%) of WTC customers surveyed saying it would increase their trust in a product or service. Government branding is **likely to increase trust** across all segments apart from the Resistant non-saver segment.
- While customers did not feel strongly about which specific Government logo should be used for communications, there was a preference for HMRC rather than HMG as the former felt more familiar and specific.
- Customers wanted communications about Help to Save to **balance the credibility and trustworthiness** that Government branding can provide while drawing on the **positive and friendly** tone of communications for financial products provided by banks.
- When discussing the types of messages that would encourage them to open an account, customers consistently **preferred messages that focussed on the specific benefits** of the Help to Save scheme and the **potential bonus they could receive** by using the account.

- Participants in the qualitative research suggested a number of ways that they could be **supported with making the most of their Help to Save account** including tools such as a calculator to check their potential bonus and personalised messages to keep them informed of their progress. Among participants who were non-savers, there was also a desire for further support once the scheme ends including advice on other savings and investment products.

Key recommendations

The key messages for the customer segments are:

- **Confident and capable savers** are most likely to open an account, use it regularly, and achieve the full bonus available. For this segment, knowing about the restrictions around the scheme and any financial costs associated with it are particularly important.
- **Constrained saver and Uncertain saver groups** are also likely to open an account. For these groups, again messages around the bonus and the benefits of Help to Save will be important, as too are messages highlighting accessibility of any money they have saved and the ease of managing the account. For both, the inclusion of Government branding on communications will help promote trust in the scheme.
- For the lower propensity saver groups —**Disengaged and Resistant non-savers**, the incentive of the bonus is likely to convince some of these customers to open an account although compared to the other segments they are less likely to save into the account in a consistent or regular way. Messages around the accessibility and eligibility of the scheme will also be important.

The key recommendations from the research for communicating Help to Save are:

- Use **direct channels** to make customers aware of the scheme. Participants seemed to prefer letters as a channel to use for this, but any form of direct targeting would be welcomed as long as it is attention catching and explains the key features of the scheme.
- Communicate the scheme positively and **focus on the bonus rate** rather the account limits. Customers may respond differently to the £50 a month limit, but the 50% bonus is likely to have a more universal appeal.
- Provide **clarity on the bonus for the second saving period** so that they understand how the bonuses will be applied and how this can be affected by withdrawals. Using visual examples may make understanding the bonuses easier for customers than written explanations and examples, which were felt to be confusing.
- **Address questions and concerns clearly.** Two of these - the potential impact of saving on benefit entitlement and the security of their money — could prevent take-up if left unanswered, or if customers are not comfortable with the answers provided. Information could be provided in the form of FAQs which could be sent by post as well as on GOV.UK. Participants also expected to have access to a helpline so they could ask further questions or seek clarification on information provided.

- Provide **personalised encouragement** to keep customers motivated. For example, sending a friendly reminder to make a payment into their account. Customers are open to receiving encouragement and support in making the most of their account, and lower propensity saver groups in particular will be likely to benefit from this. Making these messages personalised to a customer's account is likely to be more effective.

1 Background and methodology

This report presents findings from research undertaken by Ipsos MORI on behalf of HM Revenue and Customs (HMRC) with Working Tax Credit and Universal Credit customers eligible for Help to Save scheme that took place in autumn 2017. The findings explore their savings attitudes and behaviours, their ability to save, and their views on the new Help to Save scheme, including on ways to communicate and support the scheme through implementation.

1.1 Background and research objectives

Help to Save is a Government backed digital account designed to encourage and support people on low incomes to build up savings, delivered by HMRC and its delivery partner, National Savings and Investments (NS&I). Help to Save accounts have started to become available as part of a trial from January 2018, rolling out in stages to increasing numbers and available to all those eligible by October 2018. Accounts will work by allowing eligible individuals to save up to £50 per month, for four years. To be eligible for Help to Save, customers must be either: (i) receiving Working Tax Credit (WTC), (ii) have a nil award of WTC but are receiving Child Tax Credits or (iii) claiming Universal Credit (UC) and be earning at least the equivalent of 16 hours per week at the National Living Wage (NLW) – currently approximately £500 per month. Once opened, customers will still be able to use their account should their circumstances change to no longer reflect these criteria.

Customers will be able to make payments of up to £50 per month to their Help to Save account via debit card or standing order or direct transfers from bank accounts. After two years of saving, the Government will award a 50% bonus of the highest total amount saved during the first 2-year period. This means that a customer saving the maximum of £1,200 in the first two years will receive a bonus of £600 at the end of this two-year period. Individuals are able to continue saving for a further two years to earn an additional bonus. This means that a customer can save up to £2,400 over four years in a Help to Save account, with a maximum Government bonus of £1,200. Customers can make withdrawals at any time without charge, but this could affect the size of the bonus they receive².

The focus of the research was to understand the saving behaviours of the target population and specifically how they can be encouraged to open and regularly save with a Help to Save account. The research sought to:

- Understand the demographics of the target population, their savings behaviours and attitudes towards and ability to save;
- Understand customers' motivations and barriers to saving, distinguishing customer segments to help inform effective communication of the scheme;

² The bonus will be explained in more detail in Chapter 4, along with customers' understanding of, and reactions to the bonus and withdrawals.

- Understand customers' digital capabilities, and how this might affect communication design and take up of Help to Save; and
- Develop recommendations for the design of the communications strategy, and for supporting customers who take up the Help to Save scheme.

1.2 Summary of methodology

The project began with a **rapid evidence review** to help build a theoretical framework around savings behaviours to inform the development of both quantitative and qualitative research materials.

Fieldwork took place between September and October 2017 and comprised several mixed-method strands:

- A **telephone survey** with 750 Working Tax Credit (WTC) customers who represent the majority of eligible customers for Help to Save. The survey obtained a representative view of their current savings behaviours and attitudes, financial capability, barriers and incentives to saving, digital capability, and communication preferences. A segmentation analysis was conducted with WTC customers based on their savings attitudes and behaviours, distinguishing higher and lower propensity saver groups. Respondents were randomly selected from HMRC records, and findings were weighted to reflect the WTC population. Further technical details on the survey can be found in Appendix A. UC customers were not included in the survey due to sample availability. The absence of UC customers is not expected to have had a material impact on the relevance of these findings: only an extremely small proportion of eligible individuals will have been in receipt of UC at the time fieldwork was conducted.
- A mixture of face-to-face and telephone **depth interviews** with WTC customers (13) and Universal Credit customers (15), to explore motivations and barriers to saving in greater depth, and specifically to collect views on the Help to Save scheme itself and their likelihood to use it. The WTC customers were drawn from those who had consented in the telephone survey to be re-contacted for the qualitative phase of the project, and UC customers were recruited via specialist on-street recruiters. Participants were recruited according to a range of characteristics, and further technical details are included in Appendix A.
- Two **discussion groups** were held in London with a mix of WTC and UC customers across a group of savers and a group of non-savers. London was chosen due to the high density of relevant customers. The groups focused primarily on reactions and likely take-up of the Help to Save scheme, and communication preferences.

1.3 Interpretation of evidence

Quantitative findings

Chapters 2 and 3 of the report primarily draw on data collected by the quantitative element of the research, which was weighted to be representative of the wider working tax credit population. As

survey results are based on a sample rather than the entire population, estimates presented in the report are subject to a margin of error, further details on which can be found in Appendix A.

Throughout the report where figures in charts and tables do not sum to 100%, this is due to rounding of percentages, or because the questions allow for more than one response. When reading this report, it is important to note that all findings are based on self-reported data. As such, they are subject to individuals' perceptions and ability to recall; this is particularly the case where respondents were asked to provide financial information such as the current value of all household savings, and total household income. In reporting the results some of the question statements have been paraphrased for ease of reading. Full details of the survey questions used can be found in Appendix B.

Qualitative findings

Chapters 4 and 5 of the report primarily draw on data collected by the qualitative element of the research. Qualitative approaches are used to explore the nuances and diversity of views, the factors that shape or underlie them, and the ideas and situations in which views can change. The findings are not intended to be statistically representative; they state the strength of feeling about a particular point, rather than the number of people who have expressed that thought. Verbatim comments have been included to illustrate key points and common themes. Where verbatim quotes are used, they have been anonymised and attributed by key characteristics.

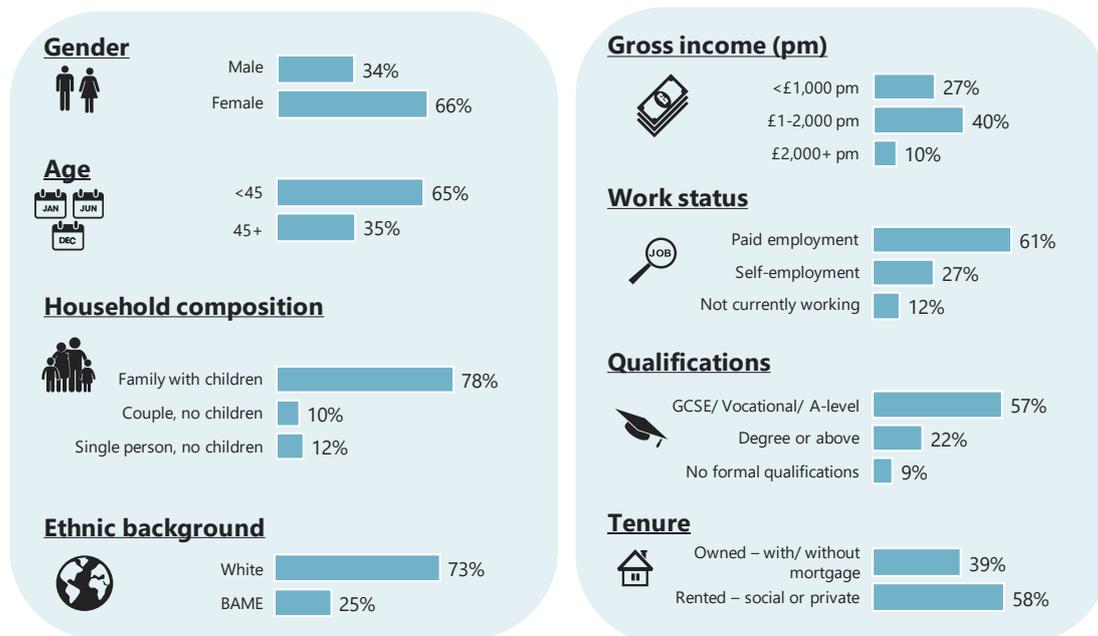
2 The target population for Help to Save

This chapter explores the key characteristics of Working Tax Credit (WTC) customers and introduces a segmentation of these customers based on their propensity to, and attitudes towards, saving.

2.1 Profile of the target population

The chart below summarises some of the key defining demographic and socio-economic characteristics of the WTC population from the telephone survey.

Figure 2.1: Demographic profile of survey respondents³



Source: All Working Tax Credit respondents to telephone survey (750)

WTC customers were predominantly female (66%), predominantly white (73%) and generally young (65% were under the age of 45, while 35% were 45 and above). Almost eight in ten (78%) lived in households with dependent children and the majority (58%) of households were renting, either in the private (31%) or in the social rented sector (27%).

³ Where respondents have given “don’t know”, “refused” or “missing” responses, these have not been charted. Therefore, in most cases, figures will not sum to 100%.

A majority of WTC customers were in paid employment either working exclusively for an employer (57%) or a combination of paid work and self-employment (3%). Over a quarter were in self-employed work only while, at the time of the interview, one in eight (12%) were not working. A majority (64%) of those not currently working had caring responsibilities.

Household incomes tended to fall below £2,000 per month. A quarter (27%) of customer's gross household income was £1,000 per month or less while four in ten (40%) had gross household income of between £1,000-£1,999 per month and one in ten indicated gross household income of £2,000 or more⁴.

The gross household income distribution of these customers differs markedly at the extremes to the national distribution. It is estimated that 9% of all UK households have gross income of £1,000 per month or less, while 51% have gross household income of £2,000 or more per month⁵.

Those WTC customers working in a combination of paid work and self-employment showed the greatest income variability with two in three earning less than £1,000 per month and 16% earning £2,000 or more per month.

Only a small minority of customers (9%) had no formal qualifications while the majority (57%) were educated to a GCSE/Vocational/A level standard and one in five had a degree (22%) or above. Those with higher level qualifications (degree level or above) are predominantly younger (76% are under 45 years of age), are predominantly female (72%), and typically have higher incomes (15% with a household income of £2,000 or more a month).

2.2 Segmenting the target population

A **key objective** of the research was **to differentiate the WTC population according to their likely propensity to save using Help to Save**. Applying a statistical technique analysing stated attitudes towards saving and their propensity to save, it was possible to differentiate five segments of the population who share similar savings attitudes and beliefs.

Having defined each segment further analysis was conducted to distinguish: the socio-demographic characteristics that typify each segment, their financial priorities, their barriers to and motivations for saving as well as incentives to encourage greater saving. Analysis was also conducted on attitude and preference data relating to sources of savings information, internet capability, and channel preferences. These variables were all used in combination to consider potential levers, via targeted messages, to encourage take up and saving using Help to Save.

At this stage, it is important to re-iterate that the segments were modelled to differ on attitudinal and savings characteristics. The segments identified are intended to show broad characteristics meaning that no individual will ever conform perfectly to the segmentation typology, but they will be closer in

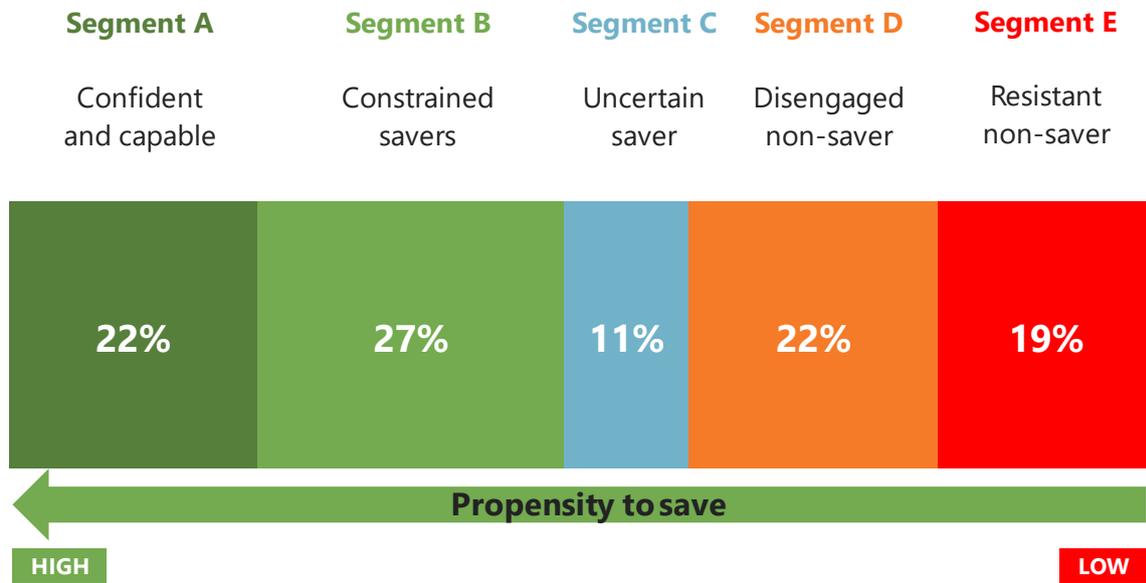
⁴ The remaining proportion of respondents have given either a "don't know", "refused" or "missing" response.

⁵ Derived from 'Household disposable income and inequality in the UK: financial year ending 2017' published by the Office for National Statistics

(<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddisposableincomeandinequality/financialyearending2017>)

their characteristics to one of these groups. Fuller technical details of the segmentation approach used can be found in Appendix A and full details of the questions used for the analysis can be found in Appendix B

The segments are summarised below and the remainder of this chapter provides a more detailed exploration of each.



Base: All Working Tax Credit respondents to telephone survey (750), Confident & capable (166), Constrained saver (197), Uncertain saver (79), Enthusiastic non-saver (146), Intransigent non-saver (138)

2.3 Confident and capable savers

The Confident and capable saver group make up an estimated 22% of the WTC population and are characterised as having the highest propensity to save based on their previous and future savings intentions.

Savings behaviour and financial management

Compared to the WTC population overall, Confident and capable savers are most likely to have saved at some point in their life (81% compared with 56% overall). Only 31% do not currently have savings, much lower than the WTC population overall (58%), and the current value of those with savings is higher than any other group (around £6,950 on average, compared with around £4,000 in the WTC population overall). They are also more likely than any other group to say they will save at some point in the next year (78% compared with 48% overall). In fact, 11% say that building up savings is one of their current financial priorities, twice as high as any other group.

Confident and capable savers are most likely to commit savings for the long-term (35% compared with 25% of the WTC population overall). They are also more likely than other groups to have a savings account (59% compared with 45% overall) and to have an ISA (34% compared with 24%).

In terms of financial management, Confident and capable savers are no more likely than the WTC population overall to regularly check their account balance (84% compared with 86%), to regularly check all incomings and outgoings (79% compared with 79%), to use a 'banking app' (62% compared with 61%) or compare spending against receipts (44% compared with 42%). However, this group is more likely than the WTC population overall to feel informed about their personal finances (90% compared with 81%), and are much less likely to feel anxious about their financial situation (19% compared with 65%).

Confident and capable savers are more likely than other groups to have specific saving goals for the next five years (30% compared with 22% overall), and most commonly this is to buy a home or move home (24%).

Attitudes and motivations

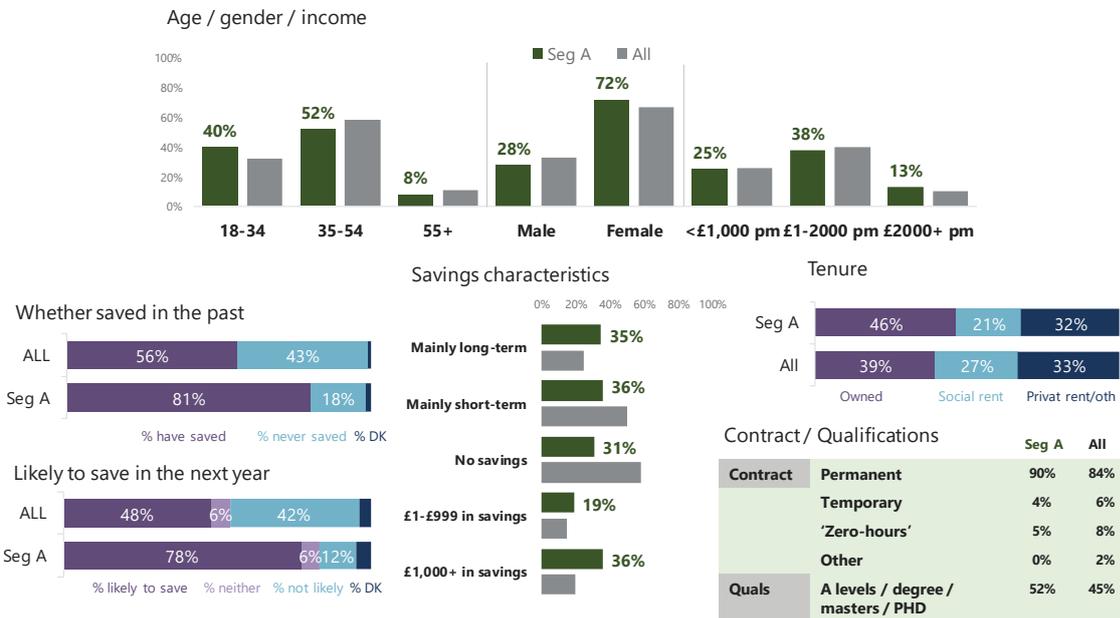
This group has a strong saving mentality and a high level of confidence in their ability to save for the future. The majority see themselves as having more saver than spender tendencies (55% compared with 39% in the WTC population overall), and they are much more likely than other groups to feel confident in saving enough money to cope with 'a rainy day' (89% compared with 42% overall). Only a small proportion feel that they can't afford to save for retirement (27% compared with 71% overall).

Characteristics, work and income

As is the case for the other groups, Confident and capable savers are typically female (72%). This group has a younger age profile: 40% are under 35 (the highest of any of the groups), while 52% are aged 35-54 and 8% are 55 or over. Almost half (46%) are owner-occupiers, higher than the overall WTC population (39%). Their income is no greater than the WTC population as a whole; for example, 25% have a gross household income of less than £1,000 per month, compared with 27% overall. The vast majority are on permanent or fixed contracts with a minimum number of hours guaranteed per week (90% vs 84% overall). They tend to be more highly qualified than the WTC population as a whole (52% have A-levels or higher qualifications, compared with 45% overall).

Segment A – Confident and capable

22% of the Working Tax Credit customer population



Preferred communication methods

As is the case for the other groups, Confident and capable savers are most likely to prefer future communications with HMRC by post (63%), followed by email contact (48%). Around a third (33%) visit the GOV.UK website for information or advice on government benefits (compared with 30% of the WTC population overall), while 44% use other websites/the internet generally for this purpose (compared with 39% overall).

The Confident and capable saver group are no more likely than the WTC population overall to have access to the internet (96% in each case). However, they are the most confident using it: 91% say they feel confident using the internet, compared with 86% of the WTC population overall.

Exposure to advertising methods is similar to the WTC population overall. They are most likely to say they see or hear advertising, publicity or information about savings products and services on television (59%), followed by letters, adverts and leaflets through the door (49%), online adverts on social media (45%) and family, friends or work colleagues (40%).

A pen portrait of the Confident and capable segment is summarised below.

Confident & capable

Mrs Smith, aged 21, is living with her partner and 4-year old daughter. She is currently studying full time to become a pharmacist in addition to working part time. Her partner works full time (35 hours) as a care assistant.

Mrs Smith and her partner have a budgeting plan that they create every year. Using a mobile banking app, they use the plan to check incomings and outgoings every month and to monitor any changes. They stay away from credit where possible as they prefer living within their means and avoiding interest payments.

"I would wait until I save the money and buy it"

Saving gives them a feeling of independence. They find interest on savings particularly rewarding and appealing. They try to put aside £40-£50 every month into a savings account.

"It's so that you have the money so you don't have to get a loan, so you can do it on your own."

Mrs Smith likes the idea of the Help to Save scheme, recognising that the bonus cannot be matched by any bank.

"It sounds great... just how much the bonus is because that's a lot more than the APR will be at the bank and I guess also the fact that you can take it out anytime."

She would like to hear about the Help to Save scheme through the post and would like the information to focus on the benefits.

"They should send to everyone who is already claiming through the post rather than doing it on TV or word of mouth...would be good to get it from WTC people."

2.4 Constrained savers

The Constrained saver group make up an estimated 27% of the WTC population and are characterised as having a relatively high propensity to save based on their previous and future savings intentions.

Savings behaviour and financial management

Just over half of Constrained savers (56%) have saved at some point in their life, the same proportion as the WTC population overall, although this is lower than the Confident and capable group (81%). The current value of those with savings is relatively low (around £2,700 on average, compared with around £4,000 in the WTC population overall) and, among those who have ever saved, as many as a quarter have not saved anything in the last year (25% compared with 15% overall). Just under half (46%) say they are likely to save at some point in the next year (in line with 48% for the WTC population overall).

Where they have savings, Constrained savers are more likely to view these as short-term rather than long-term (53% and 24% respectively), similar to the WTC population overall. Their use of savings accounts is in line with the overall WTC population. As with other groups, their main reason for saving is for unexpected expenditure or 'a rainy day' (45%). Only a small proportion (15%) have specific saving goals for the next five years, lower than the overall WTC population (22%).

In terms of financial management, Constrained savers are no more likely than the WTC population overall to regularly check their account balance (89% compared with 86%), to regularly check all incomings and outgoings (82% compared with 79%), to use a 'banking app' (61% compared with 62%) or compare spending against receipts (46% compared with 42%).

Attitudes and motivations

This group is more likely than the WTC population overall to feel informed about their personal finances (95% compared with 81%), and tends to have a strong saving mentality: the majority see themselves as having more saver than spender tendencies (58%, compared with 39% in the WTC population overall), and almost everyone in this group (94%) reports not tending to buy things beyond their means (compared with 77% overall). However, they show high levels of anxiety about their ability to save: large proportions say that they can't afford to save for retirement (86% compared with 71% in the WTC population overall) and feel anxious about their financial situation (88% compared with 65%). They are also more likely than the overall WTC population to worry about making ends meet (32% worry a great deal, compared with 25%).

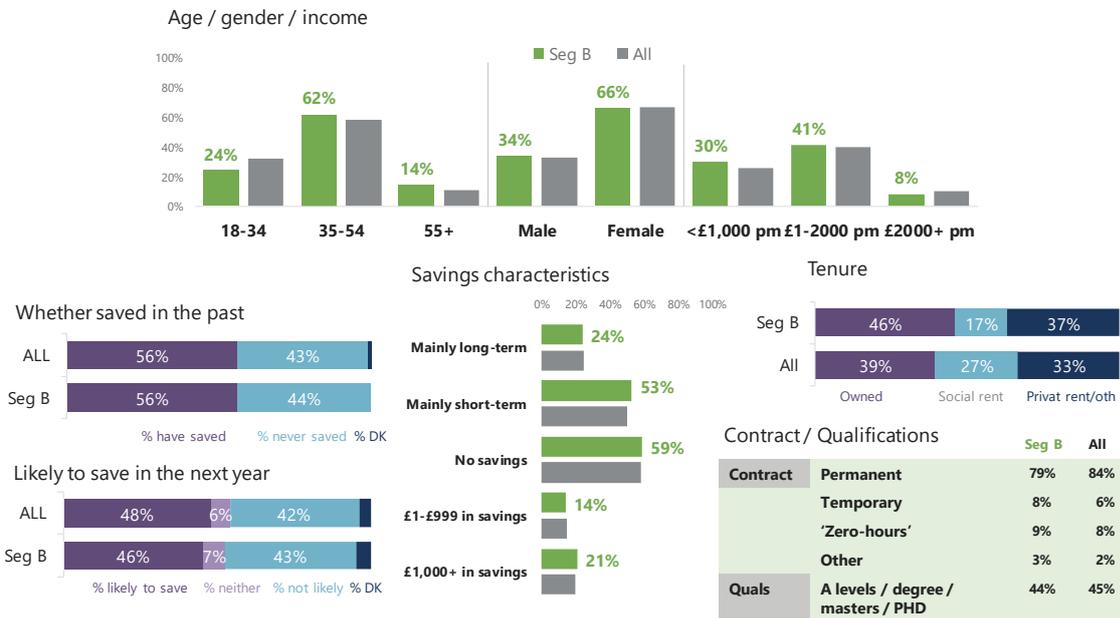
Characteristics, work, and income

This group has an older age profile: just a quarter are under 35 (24%, the lowest of any of the groups), while 62% are aged 35-54 and 14% are 55 or over. Almost half (46%) are owner-occupiers, higher than the overall WTC population (39%), but their income is relatively low: 30% have a gross household income of less than £1,000 per month, the highest proportion of any group. Although the majority are on permanent or fixed contracts with a minimum number of hours per week (79%), this is a relatively low figure, at least in comparison with the Confident and capable group (90%).

Taken together, these findings indicate that Constrained savers have a strong saving mentality, but currently have little in the way of savings, reflecting low levels of income. As a result, they tend to be anxious about their finances and their ability to save for retirement, particularly as they tend to be closer to retirement age than average.

Segment B – Constrained savers

27% of the Working Tax Credit customer population



Preferred communication methods

Constrained savers are more likely than other groups to prefer future communications with HMRC by post (72% compared with 65% of the WTC population overall). However, they also tend to be receptive to other modes of communication: the proportions who would like to be kept informed by telephone, face-to-face and online are at least as high, if not higher, than the WTC population as a whole. They are also more likely than other groups to visit the GOV.UK website for information or advice on government benefits (39% compared with 30% of the WTC population overall).

Almost everyone in the Constrained savers group (96%) has access to the internet, and the vast majority feel at least fairly confident using it (86%). Both of these figures are identical to the Working Tax Credit population overall.

Traditional advertising methods are likely to have a high impact on this group: 88% say they see or hear advertising, publicity or information about savings products and services from traditional sources (compared with 81% of the WTC population overall); specifically:

- Television (68%),
- Letters, adverts and leaflets through the door (52%),
- 'Out of home' advertising such as billboards or bus shelters (43%),
- Radio (38%)
- Print media (36%).

A pen portrait of the Constrained saver segment is summarised below.

Constrained savers

Mr Wilson, aged 55, is living with his wife and two children in a property that his wife inherited. Mr Wilson has been a cleaner at building sites for 14 years. Mrs Wilson is a housewife, she takes care of the finances. She keeps track of weekly incomings and outgoings using a mobile app. They always aim to stay within the household budget, though sometimes struggle, particularly when there are costs for their children's extracurricular activities.

Mr Wilson has a building society savings account for short-term goals, like holidays or a car and when his children were born, opened an ISA account with a one-off deposit of £500.

"If you were offered some sort of reward, like a better percentage...the interest at banks are terrible"

Currently, he is not able to save due to high living costs, though he would like to. He would feel encouraged to save more if he had an achievable end goal, if there was a better interest rate and if he thoroughly understood what the savings product entailed. A savings product that is backed up by the government would also add to its credibility and motivate him to save.

"They're encouraging people to save which I think is always a good thing. I think I would trust it more. In my experience, the government has never swindled me and I would say they are more transparent"

Mr Wilson finds the Help to Save scheme appealing and would prefer to receive communication through the post, with clear concise details on how the scheme works.

"the fact that you can get your money out when you needed it made it sound a lot more appealing ... and the fact that they'll match 50% is also appealing"

"I always think if you've got something physically in your hand that you're reading than getting an email or having something pop up on your screen, you're generally more likely to take notice of it"

2.5 Uncertain savers

The Uncertain saver group is the smallest of the five groups⁶, accounting for 11% of the Working Tax Credit population. While this group demonstrates a fairly high propensity to save, they have low confidence in their ability to save and do not feel well informed about their finances.

Savings behaviour and financial management

More than half of Uncertain savers (59%) have saved at some point in their life, in line with the WTC population overall (56%). They are more likely than other groups to have made savings in the last year: just 4% have not saved anything, compared with 15% overall. They are also more likely to have saved on a regular basis (38% compared with 23% overall). The current value of those with savings is similar to the overall WTC population (around £3,700 on average, compared with around £4,000), with around half having no current savings (53%, in line with the overall figure of 58%). Just over half (56%) say they are likely to save at some point in the next year (again, in line with 48% for the WTC population overall). Despite this relatively high propensity to save, Uncertain savers are more likely than other groups to say that they run out of money before the end of the week or month: just 15% never run out of money, compared with 28% in the WTC population overall.

⁶ Because of the small size of this group (just 79 respondents in the survey), differences between this Group and the overall WTC population are often not statistically significant. As a result, findings for this group are described as 'similar to' or 'in line with' the overall WTC population, even where there is an (apparently) large difference in the percentages.

Where they have savings, Uncertain savers are more likely to view these as short-term rather than long-term (49% and 27% respectively), similar to the WTC population overall. Their use of savings accounts is also in line with the overall WTC population; however, 15% say they have money that is not held in a bank (e.g. cash at home or with relatives), higher than the WTC population overall (8%). As with other groups, their main reason for saving is for unexpected expenditure or 'a rainy day' (40%) or for holidays or other leisure/recreation (37%). Uncertain savers are more likely than other groups to have specific saving goals for the next five years (32% compared with 22% in the overall WTC population). These goals are most likely to be buying a home or moving home (20%) or family-related costs such as childcare or school (12%). As seen below, most Uncertain savers currently rent their home, so the goal of moving home or buying a home indicates a desire to move into home ownership and/or to reduce housing costs.

In terms of financial management, Uncertain savers are similar to the WTC population overall, in terms of their likelihood of regularly checking their account balance (92% compared with 86%), regularly checking all incomings and outgoings (76% compared with 79%), using a 'banking app' (72% compared with 62%) or comparing spending against receipts (44% compared with 42%).

Attitudes and motivations

A key defining feature of this group is that they do not feel informed about their personal finances: 79% disagree that they feel well informed, much higher than any other group.

Otherwise, a degree of conflict can be seen in the attitudes of this group. Only 17% report they would tend to prioritise immediate expenditures over saving for the future, lower than the WTC population overall (31%). However, only a minority see themselves as having more saver than spender tendencies (23%, compared with 39% in the WTC population overall).

Their levels of anxiety about finance are similar to the WTC population overall: 69% feel anxious about their financial situation (compared with 65% overall), and 68% worry about making ends meet (compared with 59%). However, Uncertain savers express low levels of confidence about their ability to save: 78% are not confident that they are saving enough money to cope with a rainy day (compared with 57% overall),

Characteristics, work and income

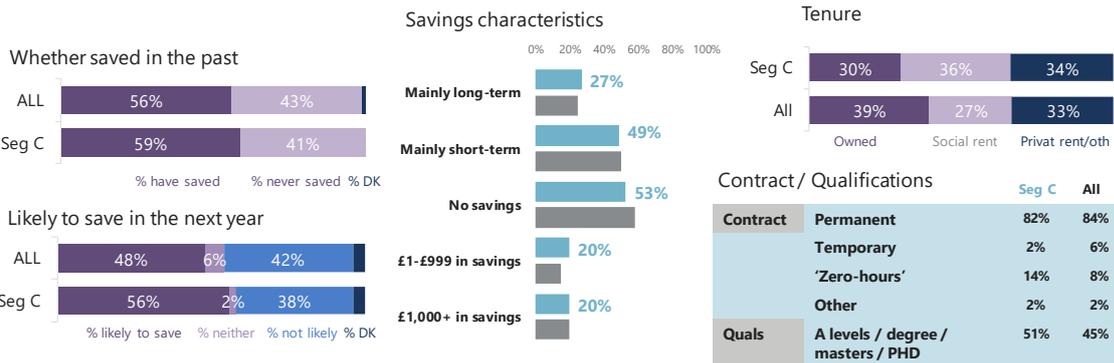
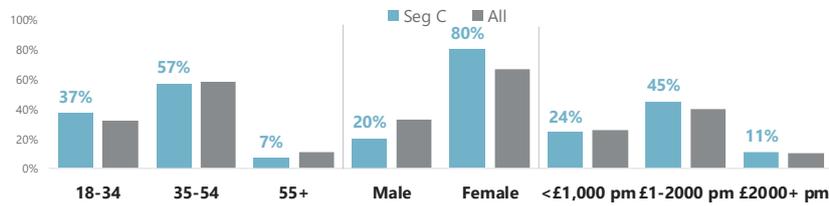
A high proportion of Uncertain savers are female (80%), and this group has a younger age profile: 37% are under 35 (one of the highest figures across the five groups), while 57% are aged 35-54 and 7% are 55 or over. A relatively high proportion are lone parent families with children (51% compared with 37% overall). Two-thirds rent their home (67%), much higher than the Confident and capable or Constrained savers groups (51% and 52% respectively).

The income of Uncertain savers is in line with the WTC population overall: 24% have a gross household income of less than £1,000 per month (compared with 27% overall). This group is relatively well qualified: a third (32% are qualified to degree level or equivalent (NVQ levels 4-6), compared with 19% in the WTC population overall.

Segment C – Uncertain savers

11% of the Working Tax Credit customer population

Age / gender / income



Preferred communication methods

As is the case for the other groups, Uncertain savers are most likely to prefer future communications with HMRC by post (56%), although a similar proportion favour email contact (53%). There is also interest in contact by telephone (33%), online (28%) or by text message (28%). They are as likely as other groups to visit the GOV.UK website for information or advice on government benefits (33% compared with 30% of the WTC population overall) and to use other websites/the internet generally for this purpose (35% compared with 39%).

Almost everyone in the Uncertain savers group (99%) has access to the internet, and the vast majority feel at least fairly confident using it (87%). Both of these figures are in line with the Working Tax Credit population overall.

Exposure to advertising methods is similar to the WTC population overall. They are most likely to say they see or hear advertising, publicity or information about savings products and services on television (68%), followed by online adverts on social media (43%), letters, adverts and leaflets through the door (40%) and family, friends or work colleagues (38%).

A pen portrait of the Uncertain saver segment is summarised below.

Uncertain saver

Ms Shaw, aged 36, is a lone parent who looks after her three children with disabilities. She has been running her own business for a year now, but since it is new she does not make enough to earn a wage yet.

Her incomings fluctuate and due to her children's disabilities, unexpected costs occur all the time. Ms Shaw is therefore never able to plan her finances and tends to prioritise immediate expenditures over saving for the future, though before she had the children she used to save regularly.

She was receptive to the Help to Save scheme and particularly liked the incentive and flexibility.

"The idea of the bonus sounds really, really good, and the fact that you can access it"

She is confident using the Internet to manage her affairs online and would like to hear about the scheme through social media or by email.

"Facebook, things like social media...to me they are the ways you would hit a person's interest"

2.6 Disengaged non-savers

The Disengaged non-saver group makes up 22% of the Working Tax Credit population and demonstrates a low propensity to save relative to the WTC population overall.

Savings behaviour and financial management

Half of Disengaged non-savers (50%) have saved at some point in their life, similar to the WTC population overall (56%). However, of those that have saved, only a minority (13%) have saved on a regular basis in the last year, with the majority just saving from time-to-time (73%, higher than 61% for the WTC population overall). The current value of those with savings is lower than the overall WTC population (around £2,050 on average, compared with £4,000), and a high proportion (71%) have no current savings. Disengaged non-savers are more likely than other groups to say that they run out of money before the end of the week or month: 24% do so 'very often, while just 10% never run out of money (compared with 28% in the WTC population overall). Just under half (48%) say they are likely to save at some point in the next year (the same proportion as the WTC population as a whole).

Where they have savings, Disengaged non-savers are much more likely to view these as short-term rather than long-term (69% and 10% respectively), to a greater extent than the WTC population overall. Their use of savings accounts is in line with the overall WTC population. As with other groups,

their main reason for saving is for unexpected expenditure or 'a rainy day' (41%). However, this group is more likely than others to save for holidays or other leisure/recreation (38%) or for presents and important occasions (29%), and is less likely to save for a deposit to buy a property (3%).

In terms of financial management, Disengaged non-savers are similar to the WTC population overall, in terms of their likelihood of regularly checking their account balance (84% compared with 86%), regularly checking all incomings and outgoings (77% compared with 79%), using a 'banking app' (60% compared with 62%) or comparing spending against receipts (39% compared with 42%).

Attitudes and motivations

Disengaged non-savers mostly feel well informed about their personal finances (86%), in line with the WTC population overall (80%). However, they express low levels of confidence about their ability to save: 70% are not confident that they are saving enough money to cope with a rainy day (compared with 57% overall).

This group are more likely to express a tendency to prioritise immediate expenditures over saving for the future, (62%), much higher than the WTC population overall (31%), while only 17% see themselves as having more saver than spender tendencies (compared with 39% in the WTC population overall). Around half (51%) report a tendency to buy things beyond their means, while 43% report would rather use a credit card than save up and buy something (compared with 13% overall).

Their levels of anxiety about finance are higher than the WTC population overall: 81% feel anxious about their financial situation (compared with 65% overall), and 70% worry about making ends meet (compared with 59%).

Characteristics, work, and income

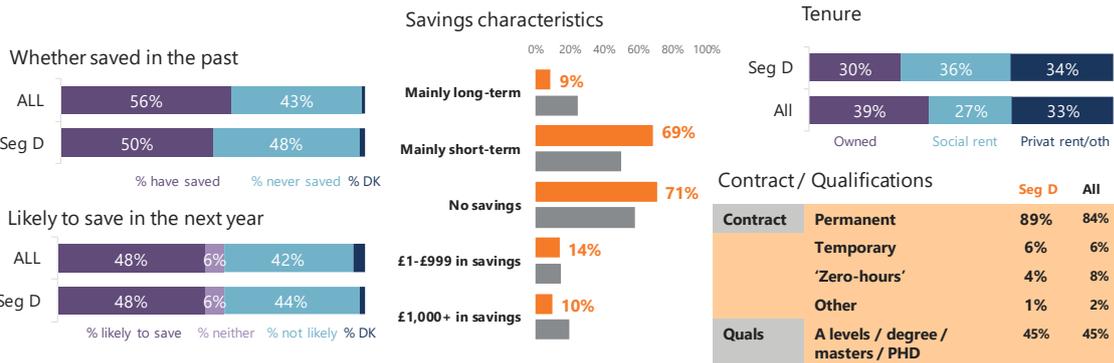
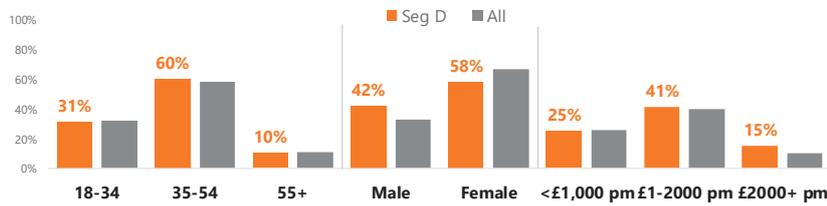
Disengaged non-savers were more likely to be male (42%) compared to the other groups although the majority were still female (58%). A relatively high proportion are two-parent families with children (49% compared with 41% overall). Around two-thirds rent their home (64%), and this includes a relatively high proportion that rent from a local authority (19% compared with 14% overall).

The income of Disengaged non-savers is slightly higher than the WTC population overall: 15% have a gross household income of at least £2,000 per month (compared with 10% overall). The type of employment and qualification levels of this group are similar to the overall WTC population.

Segment D – Disengaged non-saver

22% of the Working Tax Credit customer population

Age / gender / income



Preferred communication methods

As is the case for the other groups, Disengaged non-savers are most likely to prefer future communications with HMRC by post (69%), followed by email contact (52%). There is also interest in contact by telephone (33%), online (28%) or by text message (28%). Around a quarter (23%) visit the GOV.UK website for information or advice on government benefits (compared with 30% of the WTC population overall), while 37% use other websites/the internet generally for this purpose (compared with 39%).

Almost everyone in the Disengaged non-savers group (94%) has access to the internet, and the vast majority feel at least fairly confident using it (83%). Both of these figures are in line with the Working Tax Credit population overall.

The use of advertising methods is similar to the WTC population overall. They are most likely to say they see or hear advertising, publicity or information about savings products and services on television (66%), followed by online adverts on social media (55%), family, friends or work colleagues (52%, higher than the WTC population overall) and letters, adverts and leaflets through the door (51%).

A pen portrait of the Disengaged non-saver segment is summarised below.

Disengaged non-saver

Mr Adona, aged 40, is living with his wife and two children in a council flat. He works part-time as a handyman and his wife is currently studying at a college. Mr Adona is not currently saving. He tries to save from time to time, particularly leading up to Christmas, but this gets spent quickly.

"Maybe last year maybe but then at Christmas I spent it"

He tends to buy things that his family needs on a credit card. He doesn't plan this in advance, but just spends the money as and when it is needed.

"Normally we don't do too much plans...if we have some money we spend for example on new shoes, new stuff for the week"

Mr Adona was not greatly responsive to features identified as encouraging savings behaviour. He preferred having someone explain and suggest the most suitable savings product to him.

"It's good to speak to someone to show you which one to use"

He liked the Help to Save account and the bonus on the savings made.

"It's nice to go sleep and you know you have saved some money and you know in the future you can receive a bonus and I think it's a motivation for you even just to try to save"

Mr Adona preferred hearing about the scheme in the post and potentially on TV.

"Letter maybe as well because on paper you have proof as well."

2.7 Resistant non-savers

The Resistant non-saver group makes up 19% of the Working Tax Credit population and are characterised as the group with the lowest propensity to save. This is based on very limited experience of saving and low interest in saving in the future.

Savings behaviour and financial management

Only around a third of Resistant non-savers (35%) have saved at some point in their life, much lower than the WTC population overall (56%). In addition, among those that have ever saved, 26% have not saved anything in the last year, compared with 15% overall. In addition, 78% have no savings (compared with 59% overall), while just 12% have savings of £1,000 or more (compared with 20% overall). They are also much less likely than other groups to say that they are likely to save at some point in the next year (15% compared with 48% for the WTC population as a whole). Despite this very low propensity to save, Resistant non-savers are no more likely than other groups to say that they run out of money before the end of the week or month: 31% never run out of money, compared with 28% in the WTC population overall.

Where they have savings, Resistant non-savers are more likely to view these as short-term rather than long-term (52% and 21% respectively), similar to the WTC population overall. They are less likely than other groups to have a savings account (35% compared with 45% overall) and to have an ISA (14% compared with 24%). As with other groups, their main reason for saving is for unexpected expenditure or 'a rainy day' (38%). Resistant non-savers are less likely than other groups to have specific saving goals for the next five years (14% compared with 22% in the overall WTC population).

In terms of financial management, Resistant non-savers are similar to the WTC population overall, in terms of their likelihood of regularly checking their account balance (84% compared with 86%), regularly checking all incomings and outgoings (81% compared with 79%), using a 'banking app' (59% compared with 62%) or comparing spending against receipts (36% compared with 42%).

Attitudes and motivations

Resistant non-savers mostly feel well informed about their personal finances (91%), higher than the WC population overall (80%). However, they express low levels of confidence about their ability to save: 74% are not confident that they are saving enough money to cope with a rainy day (compared with 57% overall).

Only a minority see themselves as having more saver than spender tendencies (27%, compared with 39% in the WTC population overall). However, only 7% report having a tendency to buy things beyond their means, lower than the overall WTC population (17%). Their levels of anxiety about finance are similar to the WTC population overall: 67% feel anxious about their financial situation (compared with 65% overall), and 65% worry about making ends meet (compared with 59%).

Overall, these findings suggest that the main difference in this group is their relationship with savings, with very little experience, or apparent interest, in saving. However, on other aspects of financial management (planning, spending and budgeting), they tend to be similar to the WTC population as a whole.

Characteristics, work and income

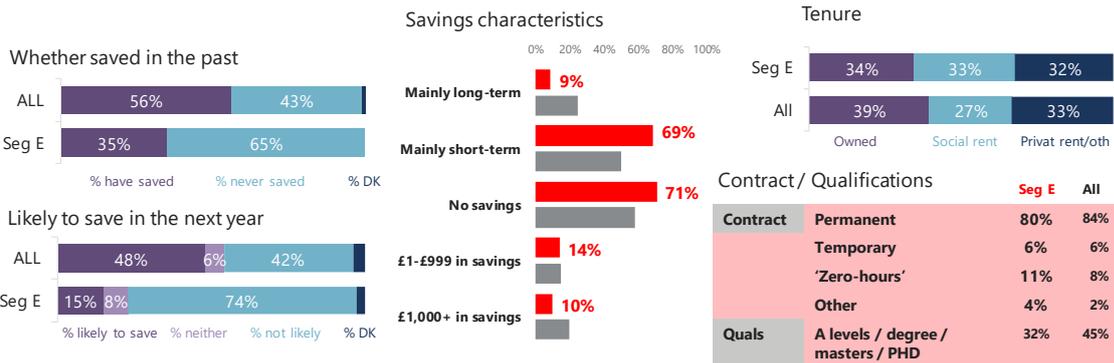
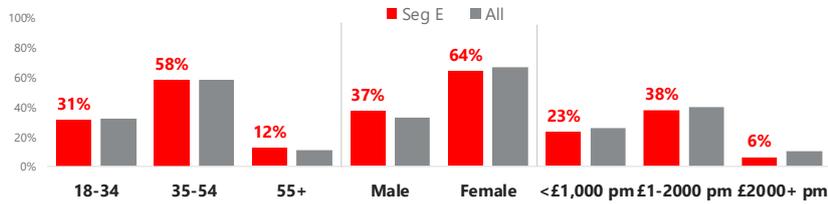
As with other groups the majority of Resistant non-savers are female (64%). The age profile is similar to the overall WTC population: 31% are under 35, while 58% are aged 35-54 and 12% are 55 or over. A relatively high proportion do not have children in the household (30% compared with 22% in the WTC population overall). The majority (62%) rent their home, in line with the WTC population overall.

The income of Resistant non-savers is similar to the WTC population as a whole. A high proportion are self-employed (35%, the highest of any group). The majority of employees are on permanent or fixed contracts with a minimum number of hours per week (80%, in line with 84% among the WTC population overall). This group has relatively low levels of qualifications: 32% have A-levels or higher qualifications, compared with 45% in the WTC population overall.

Segment E – Resistant non-saver

19% of the Working Tax Credit customer population

Age / gender / income



Preferred communication methods

As is the case for the other groups, Resistant non-savers are most likely to prefer future communications with HMRC by post (57%), although a similar proportion favour email contact (54%). They are less likely than other groups to visit the GOV.UK website for information or advice on government benefits (21% compared with 30% of the WTC population overall).

Almost everyone in the Resistant non-savers group (96%) has access to the internet, and the vast majority feel at least fairly confident using it (83%). Both of these figures are in line with the Working Tax Credit population overall.

The exposure to advertising methods is similar to the WTC population overall. They are most likely to say they see or hear advertising, publicity or information about savings products and services on television (55%), followed by online adverts on social media (46%), letters, adverts and leaflets through the door (42%) and family, friends or work colleagues (34%).

A pen portrait of the Resistant non-saver segment is summarised below.

Resistant non-saver

Ms Evans, aged 50, is a lone parent on a zero-hour contract working as an actress and in a call centre. Ms Evans manages her money day-to-day as her income makes it hard for her to plan ahead. She tries to put money aside in a savings account, but she ends up spending the money quickly. She is therefore not confident in having enough money to cover unexpected expenses.

I haven't got the money to do so [to save], every time I get money I need to do something [...] for instance, my washing machine is broke. There's always something.

In the past, she has also used a lot of credit and has therefore accumulated debt through overdrafts and credit cards. She tends to spend money spontaneously and tends to prioritise immediate expenditures over saving for the future.

"I'm just really impulsive I think I've got money spend it – I could be dead tomorrow."

She did not find any features of existing savings products particularly appealing; however, she found the Help to Save account of interest, but wanted the money locked in so she could not touch it.

"It would have to be something I couldn't touch for at least a year."

The fact that the scheme was backed by government would not make her trust the scheme more. To her, it was more important to find out about the restrictions.

"Logos don't make no difference to me, I'd have to read the small print."

3 Behaviours, attitudes, barriers and motivations to saving

This chapter explores WTC customers' behaviours and attitudes around saving, and examines motivations for and barriers to saving. It specifically considers how these vary by the customer segments identified and then goes on to consider what incentivises customers to save, including reactions to a number of options for savings accounts.

3.1 Savings behaviour

Experience of saving

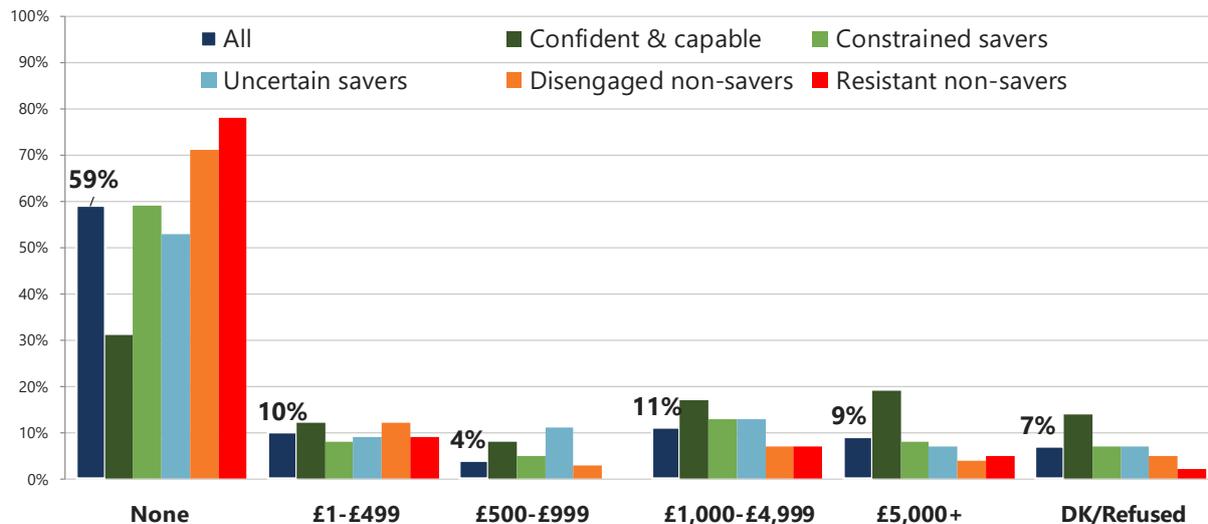
Just over half of WTC customers (56%) **have ever saved any of their income**. As seen in Chapter 2, this varies considerably across the segment groups, from 81% among Confident and capable savers to 35% among Resistant non-savers. There are also some demographic differences: experience of saving is more prevalent among women than men (60% compared with 49%), and by homeowners rather than renters (65% compared with 50%). Equally, there is a substantial proportion that has never saved, and this proportion varies across sub-groups and customer segments. This is important in understanding the motivations and preferences considered in the rest of this chapter.

Current savings

The majority of customers (59%) have **no current savings**, while 15% have savings of up to £1,000 and 20% have savings of £1,000 or more.

Chapter 2 has shown how income varies by customer segment. More than half (55%) of Confident and capable savers have current savings, but in the other groups only a minority of customers have savings, ranging from 20% of Resistant non-savers to 40% of Uncertain savers. The Confident and capable savers group is also by far the most likely to have £1,000 or more in savings (36%). Again, this underlines the limited savings activity in the WTC population, and it is important to bear in mind that, even among Confident and capable savers, there is a significant minority without any savings currently or with no previous experience of saving.

Figure 3.1: Current value of savings and customer segments



Source: All Working Tax Credit respondents to telephone survey (750)

There are demographic variations in the proportion that have current savings, reflecting the differences noted above on saving history. Women are more likely than men to have current savings (39% compared with 29%), and homeowners are more likely than renters to have savings (44% compared with 31% of private renters and 25% of social renters). In particular, owners are more likely to have saving of £1,000 or more (30% compared with 15% of private renters and 11% of social renters).

Importantly, the current value of savings appears weakly related to household income. Those with a higher household income do not necessarily have more money in current savings. For example, 13% of those earning less than £500 per month have £5,000 or more in savings compared to 15% of those earning £2,000 or more per month.

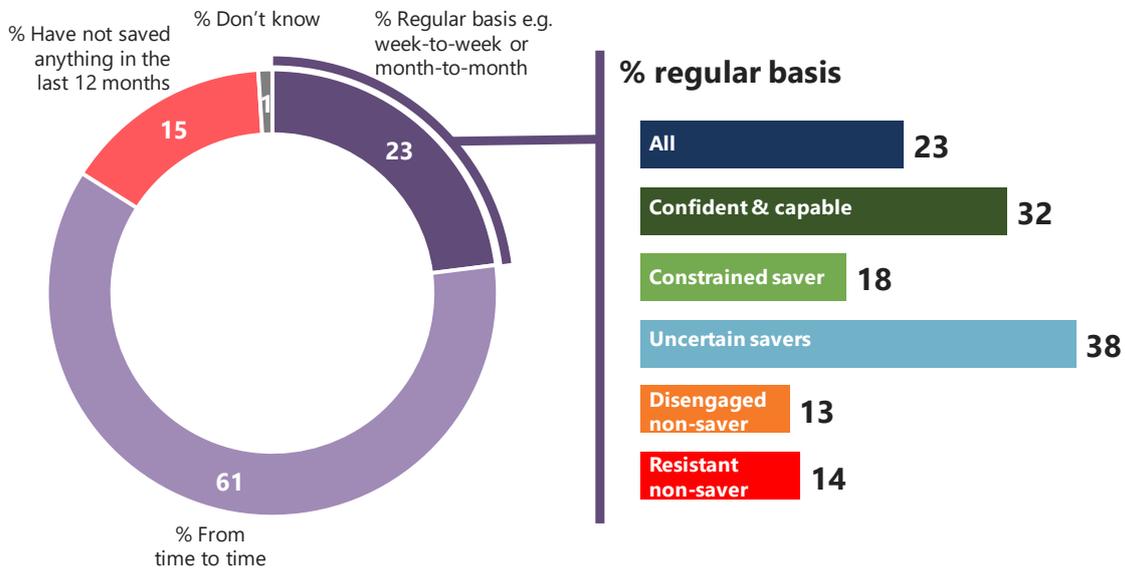
Approach to saving

Among those who have saved at some point, only a minority (23%) have **saved on a regular basis** in the last 12 months (see figure 3.2). They are more likely to have saved 'from time to time' (61%), while some have 'not saved at all' recently (15%).

Confident and capable savers (32%) and Uncertain savers (38%) are most likely to have saved on a regular basis, while the proportion is much smaller for the other segments (between 13% and 18%).

Figure 3.2: Regularity of saving and customer segments

In the last 12 months, have you saved money on a regular basis or just from time to time when you can?



Source: All Working Tax Credit respondents that have saved at some point in their life (423)

Once again, there is a gender difference, with women more likely than men to have saved on a regular basis (27% compared with 15%). Those working as employees are also more likely to have saved regularly than self-employed customers (27% compared with 17%). This is likely to reflect fluctuating income patterns for self-employed customers, and this is important to bear in mind when considering other findings; for example, the Resistant non-savers group contains a relatively high proportion of self-employed customers, and this is also the group with the lowest propensity to save overall.

In addition to saving irregularly, customers also tend to **save for short term, rather than long term, goals**. Among customers who have saved at some point, half (49%) have done so mainly for short term things they needed at the time, compared with one in four (24%) who have saved mainly for the long term. This was also evident in the qualitative interviews, where participants who were savers tended to do so for short-term goals, which included for special occasions, upcoming bills, and general expenses.

"At the moment, I'm saving up for Christmas and the birthday of my daughter"

(Working Tax Credit Claimant, Two-parent household, Full-time, Uncertain saver)

To some extent, these findings reflect the amounts being saved. Among those who have £1,000 or more in savings, 41% say they save for the long term, but this falls to just 11% of those with savings of less than £1,000.

The distinctive customer segments on this issue are the Confident and capable savers, who are more likely to save for the long term (35%), and the Disengaged non-savers, who are much less likely to do so (10%). The other groups are in line with the overall WTC population, with around a quarter saving for the long term (between 21% and 28%).

The other main difference is by tenure, with owners more likely than renters to save for the long term (33% compared with 17%). As noted above, this partly reflects the amount of savings: owners tend to have larger amounts of savings than renters.

Attitudes towards saving

A clear majority of customers recognise **the future value of saving**, with 87% agreeing that '*saving today will ensure they have a better life in future*'. Those who have saved at some point are more positive (90%), but agreement is also strong (83%) among those who have never saved. More generally, there are consistently high levels of agreement across different groups of customers, indicating a widespread acceptance of the benefits of saving, at least in principle. Similarly, attitudes are broadly consistent across the customer segments: Resistant non-savers are the least likely to agree with the statement, but even in this group a large proportion (80%) still agree.

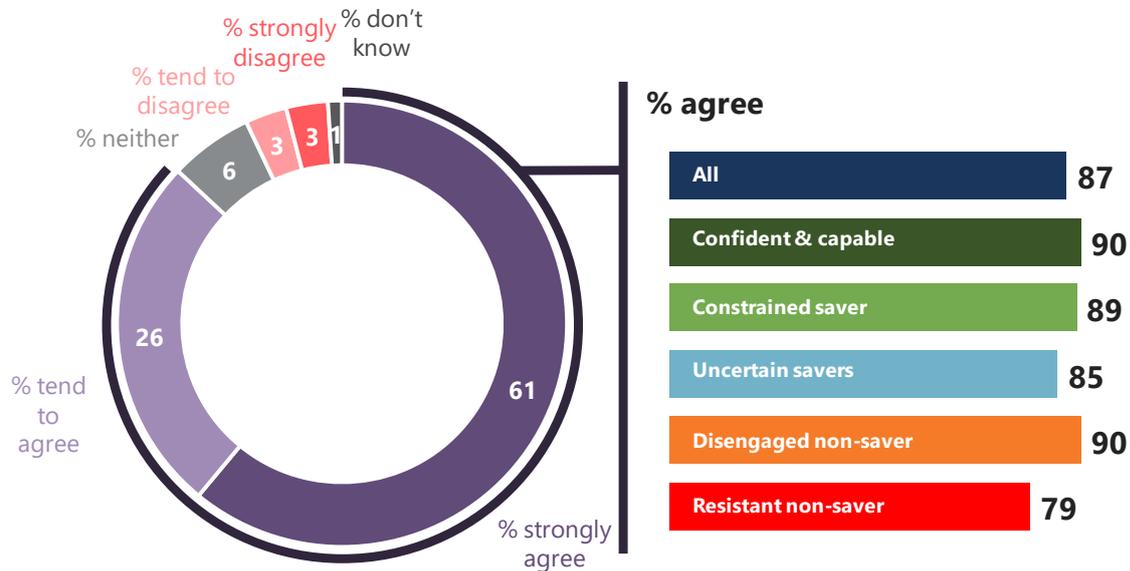
In the qualitative interviews, regardless of saving behaviour, participants agreed that saving for the future was important to them. They mentioned that having savings would make them feel more financially secure and confident that they could deal with unexpected emergencies.

"Being more organised and being more financially certain and I guess also if you run into financial emergencies it's not so much of a worry"

(Working Tax Credit Claimant, Two-parent household, Part-time, Confident and capable saver)

Figure 3.3: Attitudes towards savings for the future

Saving today will ensure I have a better life in the future



Source: All Working Tax Credit respondents to telephone survey (750)

Savings attitudes also appear to be linked to the habits taught when growing up. Overall, three in ten customers (29%) agree that *'when I was growing up I was not encouraged to save'*, while 63% disagree. The high level of disagreement again indicates a widespread acceptance of the importance of saving.

Confident and capable savers are least likely to agree that they were not encouraged to save (16%), while Disengaged non-savers are the most likely to agree (38%). The latter group tend to prioritise immediate expenditures over saving for the future, and findings suggest that this tendency may be deeply rooted.

In terms of **overall outlook on saving**, one in three (31%) expressed a tendency to prioritise immediate expenditures over saving for the future, while 52% didn't. This reflects a recognition of the benefits of saving among many WTC customers, although there is also evidence of a competing short-term mentality.

The differences between customer segments indicate that this is an important issue that helps to define the various segments. More than half (62%) of Disengaged non-savers and 40% of Resistant non-savers expressed a tendency to prioritise immediate expenditures over saving for the future, while this proportion was lower for the other three groups (between 17% and 19%).

Previous experience of saving has a bearing on responses: customers who have never saved are more likely to express this tendency (39%) than those who have saved at some point (25%). Renters are more likely to express this tendency than homeowners (35% compared with 26%).

The above findings indicate broadly positive attitudes towards the principle of saving. However, it is clear that there is some **resistance on a practical level**. When asked whether they *'prefer my money easily accessible rather than committing it for the long-term'*, three-quarters (75%) agree and just 9% disagree. There are some differences by customer segment, with agreement highest among Disengaged non-savers (87%) and lowest among Confident and capable savers (67%); however, a clear majority in each group agrees with the statement, and agreement is also consistent across demographic sub-groups.

In addition, positive attitudes towards saving tend to be tempered by customers' **perceptions of their ability to save**. Seven in ten (71%) agree that *'they cannot afford to save for retirement'*, while only one in five (19%) disagree with this. Confident and capable savers are much less likely to agree with this statement (27%), reflecting the strong saving mentality in this group, as well as confidence in their ability to save for the future. Constrained savers and Resistant non-savers are most likely to agree (86% and 87% respectively). For the Resistant non-savers, the high level of agreement reflects their low overall propensity to save, while Constrained savers typically have a strong saving mentality, but have high levels of anxiety about their ability to save (partly based on their low or variable income).

Attitudes again vary by gender, with men more likely to agree than women that they cannot afford to save for retirement (77% compared with 68%). Self-employed customers are also more likely to perceive retirement saving as unaffordable: 80% agree, compared with 67% of employees.

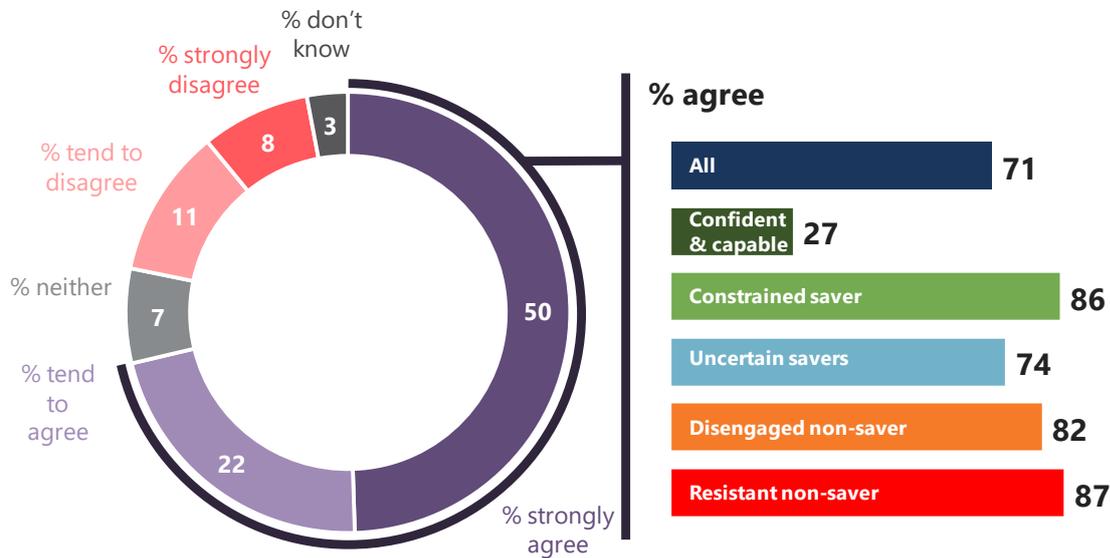
Participants who mentioned retirement in the qualitative interviews demonstrated similar attitudes. They stated that they would like to do so, but could not afford saving up for retirement. This meant that they were anxious about their future.

"What I'm beginning to get a bit concerned about is my retirement... and that's what I'd really like to do. Just so I have a bit of money behind me"

(Working Tax Credit Claimant, Lone parent household, Part-time, Constrained saver)

Figure 3.4: Attitudes towards saving for retirement

I can't afford to save for retirement



Source: All Working Tax Credit respondents to telephone survey (750)

Customers were asked how confident they are that they are **saving enough for 'a rainy day'** (e.g. unexpected bills). The majority of customers (57%) are 'not very' or 'not at all' confident that they are saving enough, although a substantial minority do feel confident (42%).

While confidence is very high among Confident and capable savers (89%), it is much lower in all of the other groups (ranging from 22% to 36%). Findings are also consistent across demographic sub-groups, indicating that (aside from Confident and capable savers) this is a widespread concern among WTC customers. It is also notable that confidence does not increase with a higher income, although the amount of current savings does make a difference: among those with no current savings, only 28% are confident, but this rises to 56% among those with savings of up to £1,000 and 64% among those with savings of £1,000 or more.

3.2 Financial capabilities, priorities and savings barriers

Financial capability

The previous section indicates that, despite positive attitudes towards saving in principle, most customers do not express high levels of confidence in their ability to save. This section examines behaviour relating to spending and budgeting more closely.

Around one in six customers (17%) report a tendency to buy things beyond their means, although the majority (77%) report they don't. Disengaged non-savers are much more likely than other groups to report a tendency to buy things beyond their means (51%), reflecting their greater focus on immediate expenditures. It is also relatively high among Uncertain savers (23%) who, despite a fairly

strong propensity to save, typically struggle with budgeting and finances. Only very small proportions report a tendency to buy things beyond their means in the other groups (between 1% and 7%).

Older customers are less likely to report a tendency to buy things beyond their means: 10% among those aged 45 or over, compared with 23% of those aged under 35 and 20% of 35-44 year olds.

Two in five customers (40%) say that they **run out of money** before the end of the week or month either 'very often' or 'fairly often', although 28% say that this has never happened in the last 12 months. Confident and capable savers are much less likely than other groups to say that they run out of money very or fairly often (16%), while Disengaged non-savers are most likely to do so (62%).

Renters are more likely than owners to say that they run out of money very or fairly often (46% compared with 29%). Customers who do not have any savings are also more likely to say they run out of money very or fairly often (52%), although there is no clear pattern by household income; this suggests that financial problems relate to budgeting and spending as much as income.

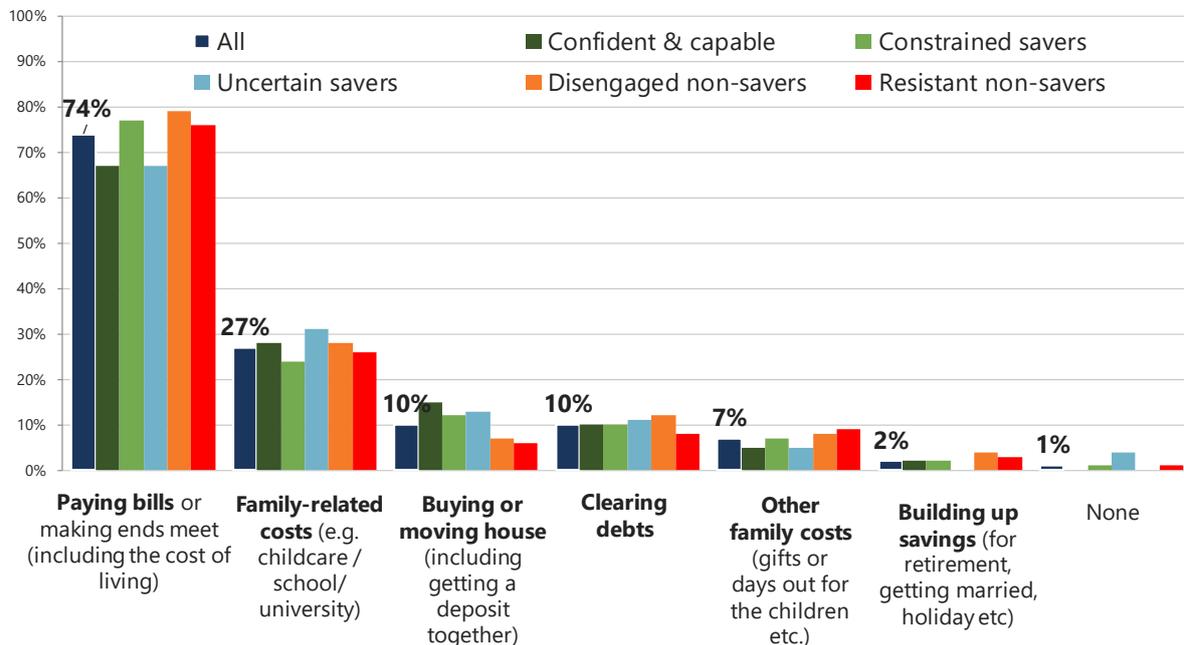
Financial priorities

Customers were asked about their **current financial priorities**. Overwhelmingly, the most common priority was paying bills or making ends meet, mentioned (unprompted) by three-quarters (74%) of customers. The second most common priority is family-related costs (including childcare, school, university), mentioned by 27%. Other priorities include buying or moving house (10%), clearing debts (10%) and other family costs (7%).

Broadly, financial priorities are consistent across the customer segments, with some small variations. Confident and capable savers are less likely than some of the other groups to be concerned about paying bills and making ends meet (67%), although this is still their main priority. They are more likely than other groups to prioritise buying or moving house (15% compared with 10% among the WTC population overall) and building up savings (11% compared with 6% overall). These differences are likely to reflect the longer-term savings habits in this group, as well as their greater appreciation of the value of saving money.

Figure 3.5: Financial priorities by customer segment

Financial priorities



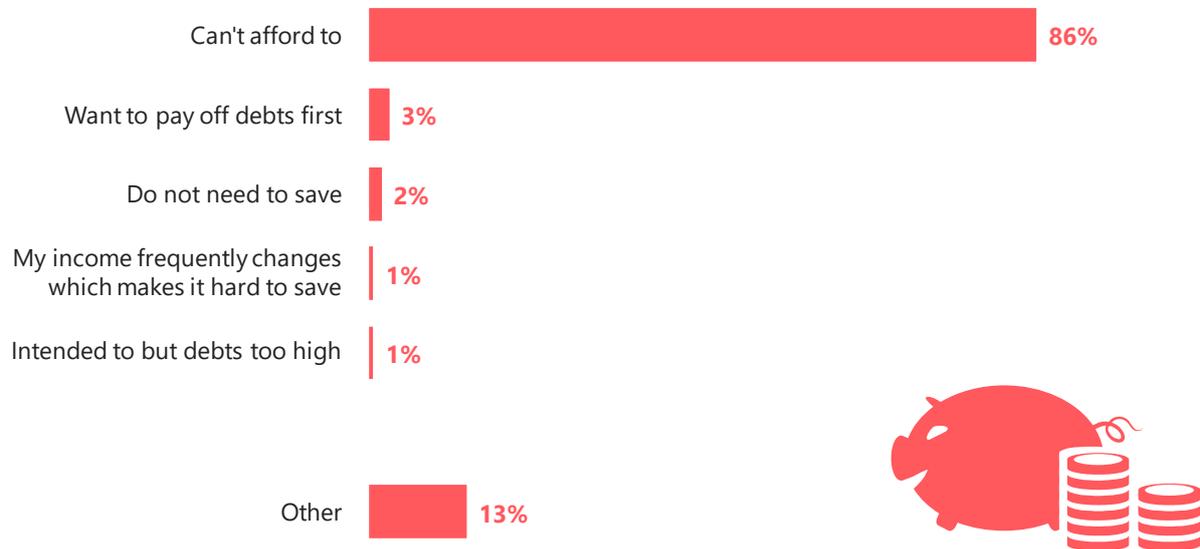
Source: All Working Tax Credit respondents to telephone survey (750)

The emphasis on 'making ends meet' was also observed in the qualitative interviews and focus groups. Participants mentioned that living costs have been increasing, which meant that they focused on what they labelled as 'priority debts', (such as paying outstanding bills in arrears). Non-saver group participants also stated that they prioritised children-related costs as well as their extra-curricular activities and home entertainment. They therefore found it challenging to save for the future.

Savings barriers

For those customers who have never saved, the **primary barrier to saving** is seen as affordability. Almost nine in ten (86%) say that they have never saved because they could not afford to. Affordability does not appear to be strongly linked to income, as nine in ten (88%) customers on higher incomes (£1,000pm+) say that they cannot afford to save. This is likely to be due to the comparatively lower incomes among this specific population of Working Tax Credits customers. All other barriers to saving are cited by fewer than five per cent of customers. These include *wanting to pay off debts first* (3%) and feeling that they *do not have to save* (2%).

There is little variation across the customer segments, with affordability the most common barrier across all five groups.

Figure 3.6: Barriers to saving among those who have never saved**Savings barriers**

Base: All Working Tax Credit respondents to telephone survey that have not saved (323)

In the qualitative groups and interviews, **participants who were not able to save mentioned affordability as a key reason** for not being able to put money aside. However, when prompted further, it was evident that **they interpreted affordability in different ways**. Participants who were receiving Universal Credit or who had children mentioned that they could not afford to save because their income only allowed them to spend money on essentials, such as grocery shopping and school uniforms. On the other hand, some participants explained that they did not save because of expenditure on 'nice-to-haves' such as entertainment and pricier phone contracts.

3.3 Savings goals and motivations

Customers who have saved at some point were asked **what motivated them to save money**. The most common motivating factor is for unexpected expenditures or a 'rainy day', cited by four in ten customers (41%). The two other most common reasons given are holidays and leisure (28%), and for other family members (19%). The desire to save money for holidays was also mentioned in the qualitative groups and interviews.

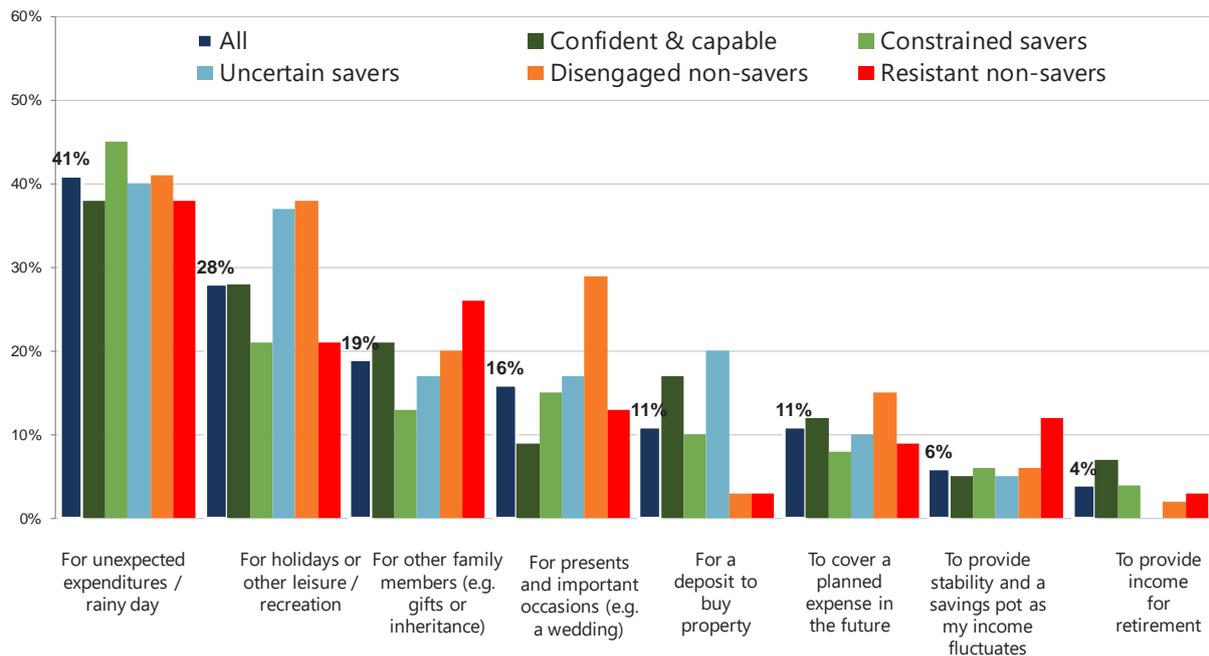
Far fewer customers mention longer-term savings goals, such as saving to raise a deposit to buy a house (11%) and to provide income for retirement (4%). This was also reflected in the qualitative groups and interviews.

"It's for the short term, for the holiday or a rainy day"

(Working Tax Credit Claimant, Two-parent household, Full-time, Confident and capable saver)

Unexpected expenditures or a 'rainy day' is the most commonly cited reason for saving across all of the customers segments, but there is some variation across other responses. Confident and capable savers and Uncertain savers are most likely to have saved money for a deposit to buy property (17% and 20% respectively). Overall, owners and renters are equally likely to have this goal, and this is borne out by the profile of these two groups: the Confident and capable savers group contains a high proportion of home owners, whereas Uncertain savers are predominantly renters. The other variation concerns the Disengaged non-savers group: these customers are more likely to have saved money for holidays or recreation (38%) or for presents or important occasions (29%), compared with other groups.

Figure 3.7: Savings goals by customer segment



Base: All Working Tax Credit respondents to telephone survey that have saved (423)

When asked about their **specific savings goals for the next five years**, the majority (62%) say that they do not have any specific goals, while 36% mention one or more specific goals, most commonly buying or moving house (16%). The other savings goals mentioned by customers include paying bills, clearing debts or making ends meet (7%), family-related costs (6%), building up savings generally (6%) and saving for a large purchase (5%).

Reflecting the findings above on reasons for saving, Confident and capable savers and Uncertain savers are most likely to want to buy or move house (24% and 21% respectively), while Uncertain savers are most likely to refer to family-related costs (12%). Overall, Confident and capable savers and Uncertain savers are most likely to have one or more specific savings goals (43% and 49% respectively).

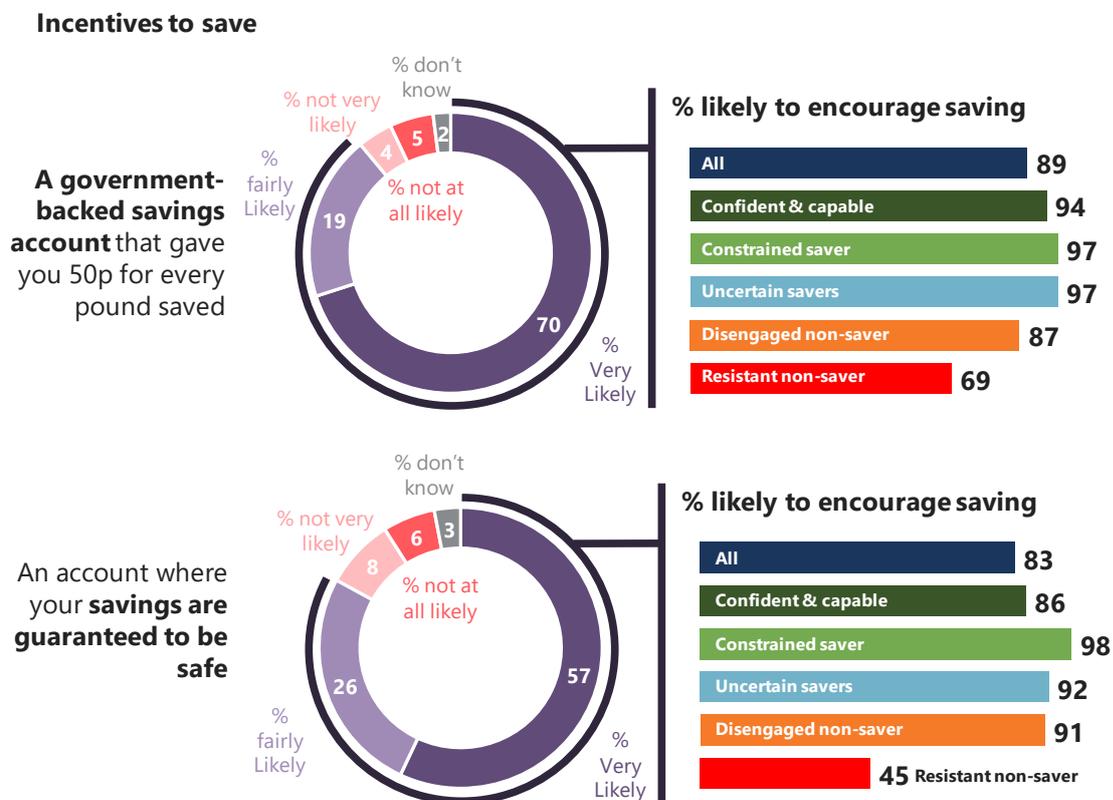
Families with children are more likely to say they have one or more specific savings goals (39% compared with 27% of customers without children), and women are more likely than men to mention specific saving goals (40% compared with 28%). These findings reflect those for the customer segments: Uncertain savers are mostly women with children (often lone parent families), and this is one of the groups most likely to have a specific savings goal.

3.4 Incentives to save

Savings options

Customers were asked a series of questions about specific savings options and how likely they would be to encourage them to start saving or save more created around how Help to Save will operate. Customers were asked about eight different options including one option modelled on the Help to Save concept. The question asked customers how likely, on a four-point scale, each specific option was to encourage them to start saving or save more. Among these, **the most popular across all customers is 'a government-backed savings account that gives you 50p for every pound saved.'**, the option that was modelled on the Help to Save concept. Nine in ten customers (89%) say this would be likely to encourage saving, including 70% that say it would be 'very likely' to encourage them. This is supported by findings from the qualitative interviews and focus groups, where participants thought that the 50% bonus offered through the Help to Save account was a great incentive for people on low incomes.

Figure 3.8: Incentives to save (most popular) by customer segment



Source: All Working Tax Credit respondents to telephone survey (750)

The government backed savings account that offers 50p for every pound saved is most popular among Constrained savers and Uncertain savers: 83% and 81% respectively say that this would be very likely to encourage them to save or save more and almost all say it would be at least fairly likely to encourage them (97% in each case).

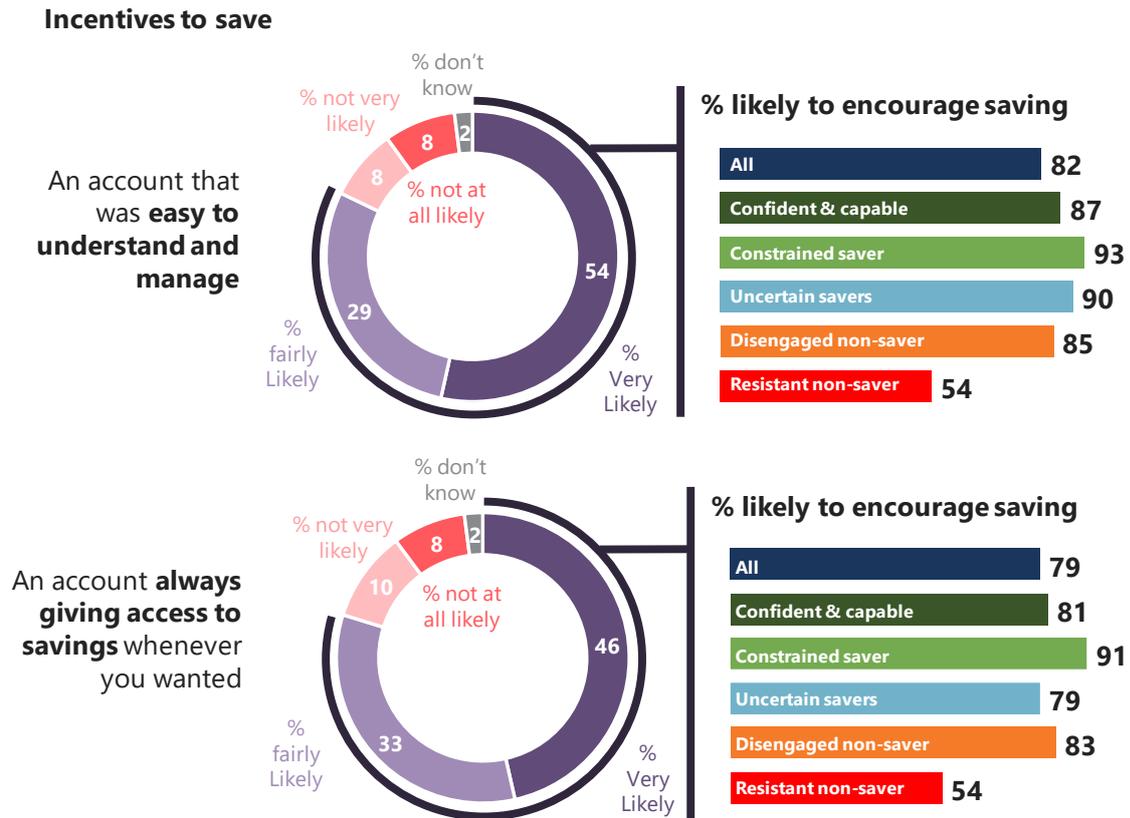
As seen above, these two groups express the greatest interest in most of the various options that customers were asked about in the survey. This reflects the nature of these groups: Constrained savers have a strong saving mentality, but tend to be anxious about their finances and their ability to save for retirement; as a result, incentives to save are likely to be attractive to them. Uncertain savers also have a fairly strong propensity to save, but express low confidence in their ability to save and do not feel well informed about financial decision-making; options that provide support, are clear and secure are therefore likely to be attractive to this group.

The lowest interest in a government-backed savings account is among Resistant non-savers, 69% of whom say this would be very or fairly likely to encourage them to save. However, even among this group, this is the most attractive of the options presented.

Account safety and ease of use are also attractive to customers. Eight in ten (83%) feel that *an account where your savings is guaranteed to be safe* would encourage them to save, with over half (57%) saying this would be very likely to encourage them. This is attractive to all groups except Resistant non-savers, only 45% of whom say it is likely to encourage them to save or save more. Interest is strongest among Constrained savers, 98% of whom say it would encourage them.

Ease of use is also important to customers, with eight in ten (82%) likely to be encouraged to save *by an account that is easy to understand and manage*. More than half (54%) say this would be 'very likely' to encourage them. Once again, Resistant non-savers stand out as the one group showing lower interest (54%), with interest again strongest among Constrained savers (93%).

Figure 3.9: Incentives to save by customer segment



Source: All Working Tax Credit respondents to telephone survey (750)

These results are consistent with qualitative interview findings where participants indicated they wanted to know what they signed up for as well as wanting clear, concise information that was easy to understand.

“If it’s all just laid out in simple easy to understand, bullet point the main points so it’s just easy to get your head round.”

(Working Tax Credit Claimant, Two-parent household, Full-time, Constrained saver)

There are several options that attract a similar level of interest: *an account that always gives you access to your savings whenever you want* (79% say this would be likely to encourage them), *an account provided by a bank or financial institution that you trust* (also 79%), *a higher rate of interest on your savings* (78%) and *advice on the best savings account to fit your personal situation* (76%).

On each of these options, Resistant non-savers express the lowest levels of interest, while Constrained savers are consistently likely to say they would be encouraged by the various options. In addition, Uncertain savers are particularly likely to be attracted by advice on the best savings account, reflecting the low levels of knowledge expressed by this group.

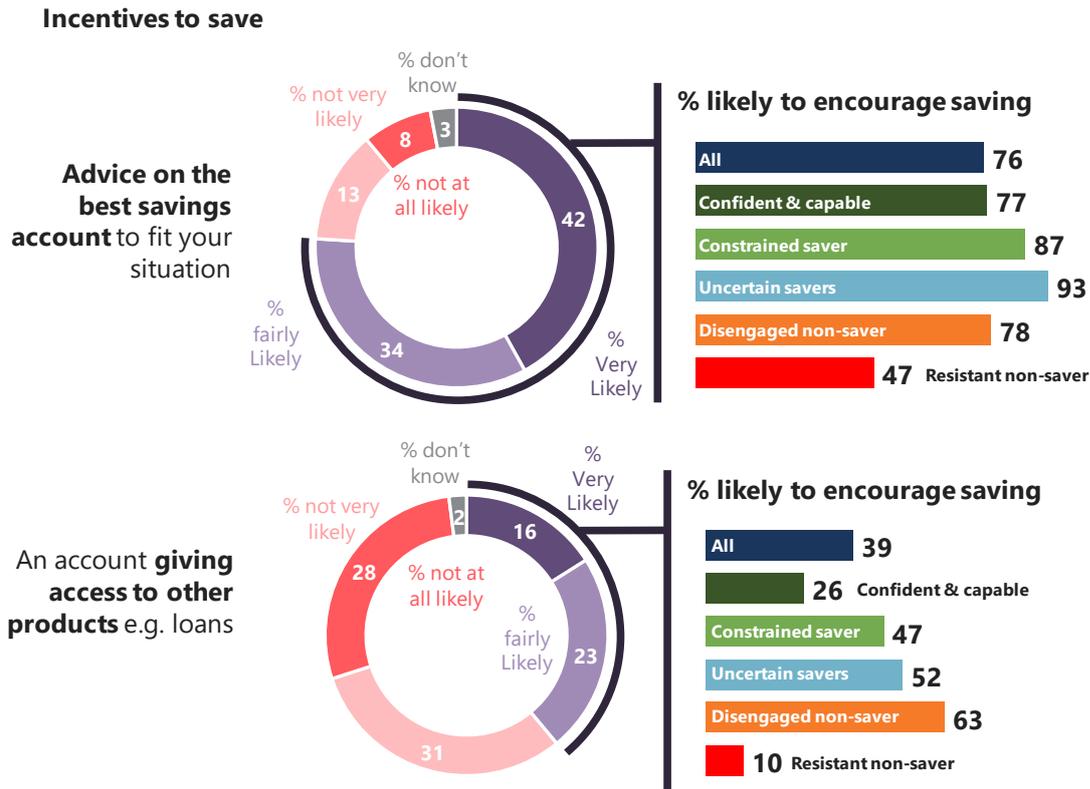
Figure 3.10: Incentives to save by customer segment



Source: All Working Tax Credit respondents to telephone survey (750)

The one option that attracts a relatively low level of interest from customers is an account that also gives you access to other products such as loans. Less than half (39%) think that this would be very or fairly likely to encourage them to save or save more. Interest in this option is highest among Disengaged non-savers (63%), a group that generally expresses interest that is around the same as, or slightly lower than, the WTC population as a whole.

Figure 3.11: Incentives to save by customer segment



Source: All Working Tax Credit respondents to telephone survey (750)

Reactions to the various options are generally consistent across **demographic sub-groups**. However, there are some options that are more attractive to women than men, including the government-backed savings account (91% compared with 85%). Some options are particularly attractive to younger customers: advice on the best savings account to fit their situation (84% of those aged under 35 say this would encourage them), an account that also gives access to other products (46%) and an account provided by a trustworthy bank or financial institution (86%).

Some options are more attractive to customers that work as employees rather than in self-employment. The largest difference is for an account provided by a trustworthy bank or financial institution (83% of employees compared with 73% of self-employed customers).

Government branding

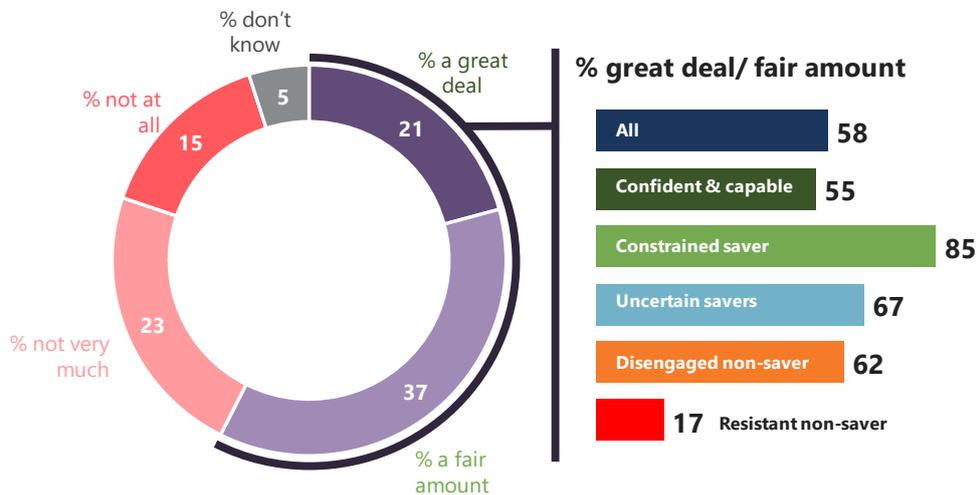
The majority of customers (58%) say that the inclusion of government branding would increase their trust in a savings product or service, including 21% who say it would increase their trust a great deal.

Constrained savers are most likely to be reassured by Government branding: 58% say this would increase their trust at least a fair amount. The Resistant non-savers group is the only segment where less than half say government branding would increase their trust (17%).

Figure 3.12: Government branding and trust by customer segment

Government branding

To what extent or not, would the inclusion of government branding, such as a government department logo, increase your trust in a savings product or service?



Source: All Working Tax Credit respondents to telephone survey (750)

Sources of help or advice

Customers were asked **where or whom they would go to for help or advice on savings**. They are most likely to say they would go to a bank or building society (49%), followed by a friend or family member (27%). Two per cent of customers say they would go to a government body of some kind.

The findings are consistent between the customer segments, with a bank or building society the most common choice (mentioned by between 45% and 52% in the various segments). A bank or building society is favoured more by women than men (54% compared with 39%), and more by households with children than those without (52% compared with 38%).

Important information

Respondents were asked what sort of information would be important to them if they were choosing a new saving service or product.

The most common responses are the benefits of the service or product (40%), the terms and conditions (22%), restrictions around using it (21%), information about interest rates (17%), the financial cost of the service or product (15%) and information about accessibility or withdrawals (10%).

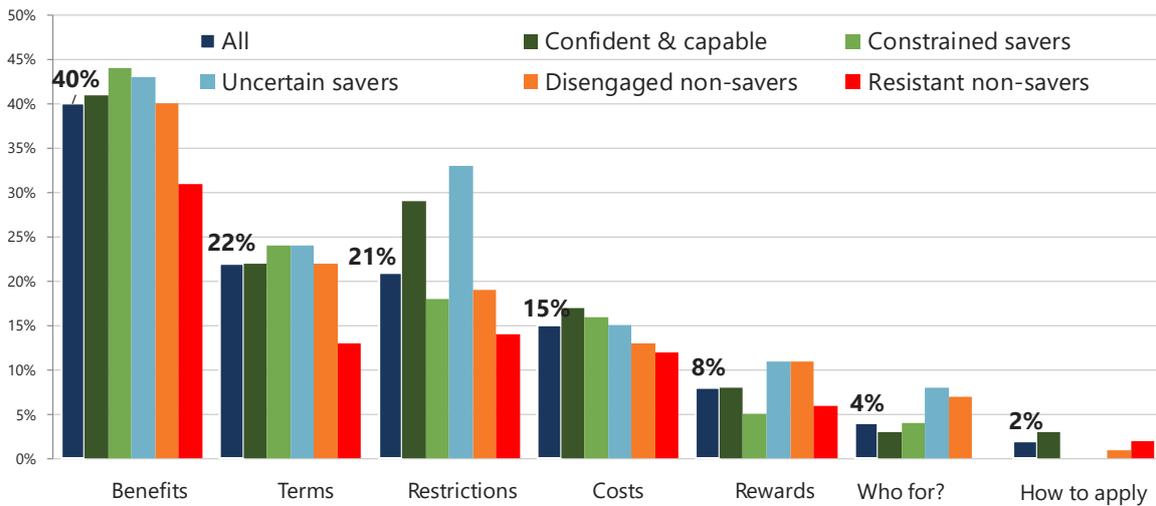
The benefits of the service or product is seen as the most important type of information by all customer segments (between 31% and 44% in each of the groups). Uncertain savers are more likely than other groups to mention a number of types of information: restrictions around use (33%), information about accessibility or withdrawals (21%) and information about security (16%). The higher proportions for this group reflect the low levels of confidence and knowledge that they feel they have

about financial decision-making. In addition, Confident and capable savers are also more likely than other groups to want information on restrictions around use (29%).

Figure 3.13: Information when choosing a new saving service or product by customer segment

Information when choosing a new saving service or product

If you were choosing a new saving service or product, such as a bank or savings account, typically what sort of information would be important to you?



Source: All Working Tax Credit respondents to telephone survey (750)

4 Customer views on Help to Save

This chapter draws on the qualitative in-depth interviews and focus groups with WTC and UC customers. It specifically explores participants' reactions to Help to Save and their understanding of how the scheme would work. It also outlines the questions participants had about the scheme including some that could affect take-up. Finally, it explores participants' digital capability and their views on managing a Help to Save account online. The description of the Help to Save scheme which was provided to participants can be found in Appendix B.

4.1 Reactions to the Help to Save scheme

This section outlines the different reactions and views participants had when first hearing about the scheme. Figure 4.1, below, shows the information provided to participants about the scheme.

Figure 4.1: Description of the scheme provided to participants

The government have created a scheme called Help to Save, to help support people on lower incomes to build up their savings.

Help to Save accounts will be available from April 2018⁷. The account will allow eligible individuals to save up to a maximum of £50 per month, for up to 4 years.

Customers will be able to go into their account and use a debit card to pay in, or alternatively make standing orders or one-off payments to their Help to Save account, direct from other bank accounts.

After two years of saving the government will also pay a 50% bonus to any amount saved up to the £50 a month limit. A customer saving the maximum of £1200 in the first two years will receive a bonus of £600 at the end of that period.

Individuals are able to continue saving for a further two years to earn an additional bonus. This means that customers will be able to save up to £2,400 over four years in a Help to Save account, with a maximum government bonus of £1,200.

Customers can make withdrawals at any time without charge but this could affect the size of the bonus they receive.

To be eligible for Help to Save, you must be claiming either Working Tax Credit (WTC), or Universal Credit (UC) and earning at least the equivalent of 16 hours a week at the National Living Wage - currently £120 a week (NLW)⁸.

⁷ This held true during the fieldwork period of this research. Since then, the government has announced a change to the rollout, which means the Help to Save accounts will be available from October 2018.

⁸ This NLW figure held true for the 2017-18 period but will be higher once the Help to Save account is rolled out

Positive reactions

Regardless of current saving behaviours, participants generally had a **very positive reaction to Help to Save**. The main reason for this was that they believed that it would support people living on low incomes to build up their savings, as it would provide a better reward to those who already saved and encourage those who did not save regularly, or at all, to start a longer-term saving habit.

“I think it gives people a bit more financial security on a low income. To encourage them to have a bit more money behind them”

(Working Tax Credit Claimant, Lone parent, Working Part-time, London, Disengaged non-saver)

“The fact that you can get your money out when you needed it made it sound a lot more appealing ... and the fact that they’ll match 50% is also appealing”

(Working Tax Credit Claimant, Two-parent household, Working Full-time, Disengaged non-saver)

Participants in the interviews were very positive about the scheme —and tended to maintain this positivity throughout the interview. They were **pleased that the Government wanted to help people on low incomes** and they believed in the positive benefits of saving, even if they did not save themselves.

These participants also quickly grasped the idea that Help to Save is designed to **encourage people to develop a savings habit** and they were supportive of anything that could help people on low incomes to develop more financial security. While participants did question whether four years would be long enough for people to build up a significant level of savings, they believed that it could be long-enough to help someone develop the habit of saving which they could continue.

“The four years is not really a long period is it, but then if it’s just like helping or starting you off to save then I guess four years is okay”

(Universal Credit Claimant, Lone Parent, Working Part-time, Liverpool)

Reflecting earlier findings, observed more widely across the WTC population (see section 2.2) which identified an *account giving 50p for every pound saved* as the most popular feature likely to encourage saving, the **50% bonus was seen as a great incentive** for people on low incomes to start saving or to save more. Those who were already saving immediately recognised the bonus as much better than any rates offered by banks or building societies and were keen to sign-up. Even those who knew little about other products, assumed that the bonus was generous. Participants were generally surprised by this and those claiming Universal Credit in particular said that they would not have expected such a high incentive for saving. These participants were generally very keen to open an account because of the bonus and said that they would do their best to find ways to save and make the best possible use of the account.

“I never expected the government to do something so good and as well to be encouraging people on low incomes because you know you can make little setbacks and 50% is a really good incentive”

(Universal Credit Claimant, Lone Parent, Working Part-time, Liverpool)

Negative reactions

While participants generally viewed the 50% bonus as generous, there were a number of concerns raised about the scheme. The **main concerns included eligibility for the scheme, the possible impact on benefit claims, and possible policy changes and rules** that could mean that they do not receive the bonus, or possibly lose the money they had saved.

These questions, outlined in more detail in section 4.3, were potential barriers to participants engaging with the scheme, as they believed there must be a catch that they would want to know about before thinking about whether they would sign-up. This view seemed to stem from a wider question about why the Government is offering the scheme. While those who reacted positively tended to take the stated aim of supporting savings behaviours at face value, those who were negative tended to be sceptical of this and believed there must be some negative consequences of opening an account.

“I’m also thinking that after the two years or the four years, once you have that amount of savings in your account or with them, does it then affect your tax credit?”

(Saver, discussion group participant)

There was also some negativity about the saving limit each month which was viewed as too low for savers and too high for non-savers. Discussion about the savings limit tended to make both savers and non-savers feel that the scheme was not designed for people like them, either because the sum would not be large enough to be worthwhile or because it was felt to be too high to achieve.

“Because some might look at, oh but I’m only paying £10 a month, that’s nothing, that’s a beer.”

(Saver, discussion group participant)

“£50 a month it’s not a small amount. That covers quite a bit of your bills and other things as well.”

(Non-saver, discussion group participant)

Among non-savers, there was a feeling that people receiving benefits were not in a position to guarantee saving as they would need their entire income to cover daily living costs, the very reason why they are on benefits in the first place. This seemed to be a particular issue for self-employed participants who felt their unstable income would make it difficult to save, or to keep the money aside for long, as they would need it. This led to further questions about why the government would be launching the scheme and assumptions that it was not for people like them.

“I find it hard to understand that the government are giving people money to save when they’re initially giving them money to live on because they have a lower income”

(Working Tax Credit Claimant, Lone Parent, Self-employed, Confident and capable)

A further barrier to engaging non-savers was that they tended to find it more difficult than savers to compare the potential bonus with other products available, with some questioning how it compared with interest rates on savings accounts. While savers immediately identified the 50% bonus as attractive in comparison to other products, non-savers either took longer to do this or said they were unable to make a judgement about how attractive the bonus was.

There were also **some questions raised about how eligibility had been decided** and why other people on low incomes would not be able to open an account. This was a particular concern for Universal Credit customers who felt that it would be unfair to exclude people who had worked hard in order to stop claiming benefits as they would be likely to need the support with saving just as much as those who were claiming⁹. This was linked to their worry about the possible stigmatisation that benefit claimants will face if the Help to Save scheme was advertised to the wider public.

However, despite the number of questions and concerns that some participants had about the scheme, most said that they would want to know more about it and would be likely to open an account as long as they received information that addressed these issues.

4.2 Understanding of the scheme

Participants were given a detailed explanation of the bonus, either as a readout – for interview participants over the phone – or as a handout – for face-to-face interviews and group discussions. Figure 4.2 shows the explanation given to interview participants.

Participants in the focus groups received the same explanation with an added clarification on how long the scheme could be used by customers (See Figure 4.3).

Figure 4.2: Explanation of bonus provided to participants

After two years of saving the government will also pay a 50% bonus to any amount saved up to the £50 a month limit. A customer saving the maximum of £1200 in the first two years will receive a bonus of £600 at the end of that period.

Individuals are able to continue saving for a further two years to earn an additional bonus. This means that customers will be able to save up to £2,400 over four years in a Help to Save account, with a maximum government bonus of £1,200.

Customers can make withdrawals at any time without charge but this could affect the size of the bonus they receive.

⁹ Those eligible for Help to Save when they open an account will still be able to use their account should their circumstances change and they no longer meet the eligibility criteria.

Figure 4.3: Additional information for group participants

There are two bonuses that you can receive, each based on the highest point the balance reached in two years.

The first bonus will pay 50% of the highest balance after the first 2-year period.

The second bonus will pay 50% of on the difference between the highest balance after 4 years and the highest balance after the first 2 years.

This means that you must reach a higher balance in the second period than you did in the first to get an additional bonus.

Overall, participants **understood that the 50% incentive was a bonus** rather than interest on savings, which would be based on the highest balance achieved in the first two years. The bonus was perceived as a reward for saving that could be achieved regardless of the amount put in, which made it attractive among both participants who were able to save and those that were currently struggling to do so.

Participants also **recognised the impact of a withdrawal on the bonus**. Those who were saving already understood that it would be more beneficial to leave the money in the account untouched and they **wanted communications about the scheme to reflect this**, emphasising the longer-term benefits of keeping the money in the account for as long as possible. This supports earlier findings from the wider survey of WTC customers which indicated that having information about the benefits of a savings product was most commonly mentioned as important (40% of customers) when choosing a new savings product or service, including lower propensity saver groups (see Chapter 3). Current non-savers assumed that they would need to withdraw money from time-to-time and thought that receiving a bonus on their highest balance would still make the account worthwhile.

“There’s no reason why I wouldn’t use it based on that 50% even though I won’t be able to take full advantage of the account”

(Universal Credit Claimant, Single Person, Working Part-time, Liverpool)

The **bonus for the second period was much more difficult for participants to understand**, mainly because they found the concept of exceeding the balance in the first period confusing. The issue here was that participants assumed that if the account has a limit in place of £1,200 for two years, it would be impossible to exceed this amount in the second period if the same limit applied.

“I’d like to know what the additional bonus is, because that’s very vague. So, if you continue to save for a further two years you earn an additional bonus, so what would that additional bonus be.”

(Non-Saver, discussion group participant)

“But what if you can only save £50 what if you’ve been saving the £50 a month and you’re not allowed to save more than that you’re never going to reach that are you. You’re not

going to be able to reach, you're not going to be able to get a higher amount than the first saving period because you can't save any more than £50 a month."

(Non-Saver, discussion group participant)

It seemed that participants immediately thought of the two saving periods as separate accounts, which made it difficult for them to understand how money saved in the first period could affect their bonus in the second period. Once participants understood that they would have just one account for four years, with a potential bonus every two years and that the second bonus would only be applied to new savings made, the second bonus made more sense.

Participants felt that it would be **important for Help to Save customers to understand the bonus structure** when opening an account so that they would be able to plan how to maximise the bonus they could receive. Given the difficulties in understanding the bonus structure, they felt that this would need to be made clear in communications to customers, preferably by using **visual examples** to explain how and when bonuses would be applied.

Another area of confusion was **eligibility**. While participants understood who would be eligible to open a Help to Save account there was a great deal of confusion about when eligibility would be tested. The assumption was that once an account was opened, the customer's eligibility would be checked regularly and if they stopped being eligible then their account might be closed. Participants were **surprised that eligibility would only be checked once**; when the account was opened, and they did not immediately believe that this could be the case.

4.3 Customers' key questions

Apart from questions around the second bonus, throughout the discussions participants had many questions around the scheme some of which would influence their decision to open a Help to Save account. There were **two questions that could act as deal breakers** that, if left unanswered, could deter customers signing up to the scheme.

1. How could having savings in a Help to Save account affect my benefits?

This was generally the first and most pressing question which participants had about the Help to Save scheme. They wanted to know whether having savings and receiving a bonus could mean that they lose eligibility for benefits or receive a lower award. Savers tended to be more aware than non-savers that savings allowances existed in the benefits system but they were unsure of how much these were, or if they applied to every benefit they received. **Housing Benefit was a particular concern** for participants who claimed it. Many assumed that a savings allowance either did not exist, or was very low for Housing Benefit, which meant that these participants were concerned that building up savings in this scheme could result in their housing support being tapered away... If this was the case, then claimants saw little point in saving at all.

“Also, people on benefits are only allowed to have a maximum of £6,000 in savings before they start to lose, a pound for every £250 they’re over it. If they’re claiming Housing Benefit, so at the moment you’re going to be giving somebody £2,400 quid”

(Saver, discussion group participants)

Participants wanted **clear information on the potential impact of savings** on every benefit that could be affected by putting money into the Help to Save scheme. If this information is not provided, then this issue is likely to prompt enquiries and some customers may decide not to open an account because they assume that saving would not be worthwhile. This is supported by findings from the wider survey of WTC customers, which indicated that around a fifth of participants identified knowing about *terms and conditions* (22%) and the *restrictions around use* (21%) as important information when choosing a new savings product. This was particularly important for higher propensity saver groups (covering Confident and capable, Constrained saver and Uncertain saver groups).

2. Can the Government keep my money to cover liabilities?

While participants trusted that the Government would keep their money safe from third parties, they were unsure whether they trusted the Government not to keep the money paid into a Help to Save account. The main concern was that **money in Help to Save accounts could be taken by the Government to recover tax debts** or benefit overpayments.

“Because if you have a problem then the money can be taken by the government”

(Universal Credit Claimant, Two-parent household, Working Part-time, London)

Participants said that while they generally **trusted the Government** more than banks or other financial organisations, they felt that there would be fewer protections in place for customers using a Government scheme and that, effectively, the Government would be able to do what it wanted with the money. This was a particular concern for participants who had experienced tax credit overpayments as they assumed that HMRC would be able to recoup overpayment debts from a customer’s Help to Save account without seeking any formal permission to do so.

Participants wanted **clarity on this issue** and some said that they would want a guarantee that the money in their account could not be taken from them under any circumstances.

“I think there should be a clause or something that they have that says this is a thing, one off it can't be touched or affected, it won't affect your benefits, it won't affect anything in the future, because this is an agreement we've made to help you get out”

(Non-saver, discussion group participant)

4.4 Other questions about the scheme

There were also **broader questions**, which were not considered to affect take up, but were nonetheless important. These queries are outlined in below.

Question area	Questions
General questions about the Help to Save scheme	<ul style="list-style-type: none"> ▪ Why has the scheme been set-up? ▪ Who will hold my money, where will it be held and how will it be used? ▪ Why does the account only last for four years? ▪ Why is the limit £50 a month? ▪ Can the Government change its mind about the scheme once I've opened an account and not give me a bonus?
Eligibility for Help to Save	<ul style="list-style-type: none"> ▪ Why is it only available to Working Tax Credit customers and working Universal Credit claimants? ▪ When is eligibility checked and how? ▪ How often is eligibility checked? ▪ What happens if I stop being eligible for the scheme?
The impact of Help to Save	<ul style="list-style-type: none"> ▪ Will my savings and the bonus be subject tax? ▪ Will saving help to improve my credit rating?

There was an expectation among participants that the answers to these questions would be readily available to people interested in signing-up to the scheme and that if this isn't the case, take-up is likely to be affected. This is explored further in the communication sections in Chapter 5 below.

4.5 Digital capability & sign up

The survey evidence suggests that digital capability is high among the target population – some 96% of all WTC customers surveyed had access to the internet and 85% said they were confident using it – and that this varies little across the higher and lower propensity saver groups identified. Participants in the qualitative interviews were receptive to the idea of signing up to the Help to Save scheme online. They were **generally confident online** and thought that managing the Help to Save account online, would be easier, quicker and more straightforward. Experiences of managing the Universal Credit and Working Tax Credit claims online meant that **many preferred this channel** and were confident in the security of Government websites.

Those who were **less confident online were generally still open to the idea** of having an online Help to Save account as they typically had a family member who either helped or completely managed their other online accounts. Only one participant said that they would not open an account if it meant using an online system. This participant did not have any online accounts due to a lack of confidence and because of concerns about data security and confidentiality online.

There was a general **expectation** among interview participants that the registration process should be **straightforward, easy to understand and quick**. Since eligibility was tied to their claims, participants assumed that much of the information needed, could be pre-populated in the online form and that they may not need to provide any information about their tax credit or Universal Credit claims.

4.6 Account use

Participants discussed a range of likely behaviours with using a Help to Save account, and these were closely linked with current savings behaviours:

Current savers: participants who already saved said that they would be likely to save the maximum, or close to it every month and aim not to withdraw any money unless they really needed to, for example to cover an unexpected cost. Some participants with savings said that they would pay money they had already saved into their Help to Save account in order to make use of the bonus, which was higher than the interest they would receive in their current products.

“I would keep both of them [current savings account and Help to Save account], I would put the £50 in that one and the £150 in the other one”

(Working Tax Credit Claimant, Two-parent household, Working Part-time, Constrained saver)

Non-savers: participants who were not saving, or not doing so regularly reported a wider range of likely behaviours. Some felt that the bonus on offer was appealing enough for them to make significant cutbacks in other areas of spending, for example by shopping at cheaper grocery stores and spending less on television subscription services in order to save as much as they could each month. Others were less specific about what they might cut back on in order to save, but said they would try to be more conscious of where they could save money or think differently about how they used small amounts left at the end of the week or month.

Non-savers felt that there were likely to be months when they would not be able to save, for example around Christmas, birthdays or when going away on holidays, but they did not think this would be a problem. These participants tended to be less focussed on achieving the maximum bonus and instead thought about making the best use of the account that they could within their lifestyles. Non-savers were also more likely to think that they would need to make withdrawals from their account from time-to-time to cover costs such as bills, gifts, or holidays. They understood that this could affect the bonus they would receive but were comfortable with this.

5 Communicating Help to Save

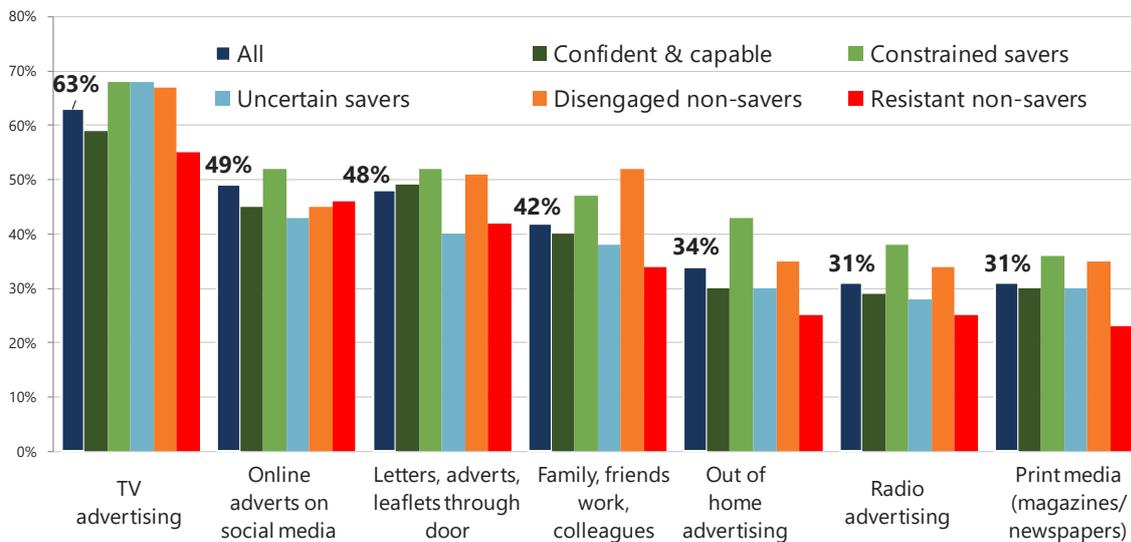
This chapter draws on the qualitative and quantitative data to explore how customers think Help to Save should be communicated. It includes views on the best channels and messages to make eligible customers initially aware of the scheme, how to encourage take up and what support customers are likely to need before and after opening an account. The messages tested in the qualitative research can be found in Appendix B.

5.1 Information sources and channel preferences

Results from the survey of WTC customers indicate that the majority heard about savings products and services through television adverts (63%). Just under a half also mentioned online adverts on social media (49%) as well as more traditional communication through the letterbox (48%).

Figure 5.1: Main sources of information about savings products and services by customer segment — survey of WTC customers

From which sources are you most likely to see or hear any advertising, publicity or information about savings products and services?



Source: All Working Tax Credit respondents to telephone survey (750)

Compared with the WTC population overall, Constrained savers are more likely to have seen or heard advertising, publicity or information via ‘out of home’ advertising such as billboards or bus shelters (43%) and radio advertising (38%). By comparison, Uncertain savers are more likely to have seen or heard information through TV advertising (68%) but are less likely to have seen or heard information via hard copy letters, adverts, and leaflets through the door (40%).

Among non-saver groups, Disengaged non-savers are significantly more likely than the WTC population overall to have seen or heard information from family, friends or work colleagues (52%)

compared with 42% overall) while Resistant non-savers are least likely, of all the segments, to have seen or heard information through any of the identified sources.

The trend of television adverts representing the main source of information on savings products and services was also observed in interviews and focus groups, where participants tended to say that **TV advertising and social media were the most effective channels for getting people's attention** and making them aware of products and services. Younger participants, particularly those with children who said they were busy and did not tend to watch or pay much attention to television said they preferred online channels, such as emails and social media campaigns as they would be more likely to see them. Participants also mentioned that posters displayed in post offices, banks and Jobcentres caught their attention.

However, while advertising campaigns were generally felt to be the best way of raising awareness of a product, participants in the qualitative research did not think these channels would be the most appropriate way to communicate the Help to Save scheme. Instead, they **believed that direct contact channels would be more appropriate**, though they acknowledged that the word-of-mouth effect of a broader advertising campaign could be missed if direct contact channels were the only means used to make people aware of the scheme. Nonetheless, the benefits of direct channels far outweighed this potential downfall for participants. It is important to note that the preference for direct contact was based on a number of views and assumptions about the impact different channels might have. These were:

- **Relevance:** participants reasoned that if the Government is able to identify who will be eligible for a Help to Save account then it would be easier to tell them this directly rather than advertise the eligibility criteria to everyone. While eligibility through WTC was seen as fairly straightforward, participants claiming UC felt that the working hours criteria might mean that some people will struggle to figure out whether or not they are eligible and would then need support with this. Contacting them directly would remove this ambiguity and need for support.
- **Cost:** participants assumed that direct contact, for example, by sending a letter to eligible customers would be cheaper than running an advertising campaign.
- **Public reaction:** participants were slightly confused about how the eligibility criteria for Help to Save had been decided and they thought that other people on low incomes may feel resentful that the scheme was not available to them, if a marketing campaign were directed at all benefit claimants, including those that would not be eligible. In particular, there was a concern that those who were encouraged to move off UC by working more hours would feel that they are missing out.
- **Media reaction:** there were some concerns among participants, particularly those claiming UC, that a large-scale campaign could draw the attention of the press and lead to negative reporting about the scheme. They said that advertising a scheme that provides support exclusively to those on UC or WTC could further add to the stigma that they felt benefit claimants experienced.

"It's not something you'd be advertising... I think I'd take notice but I just don't know, people don't want to see benefits and universal credits all over the place, well I wouldn't"

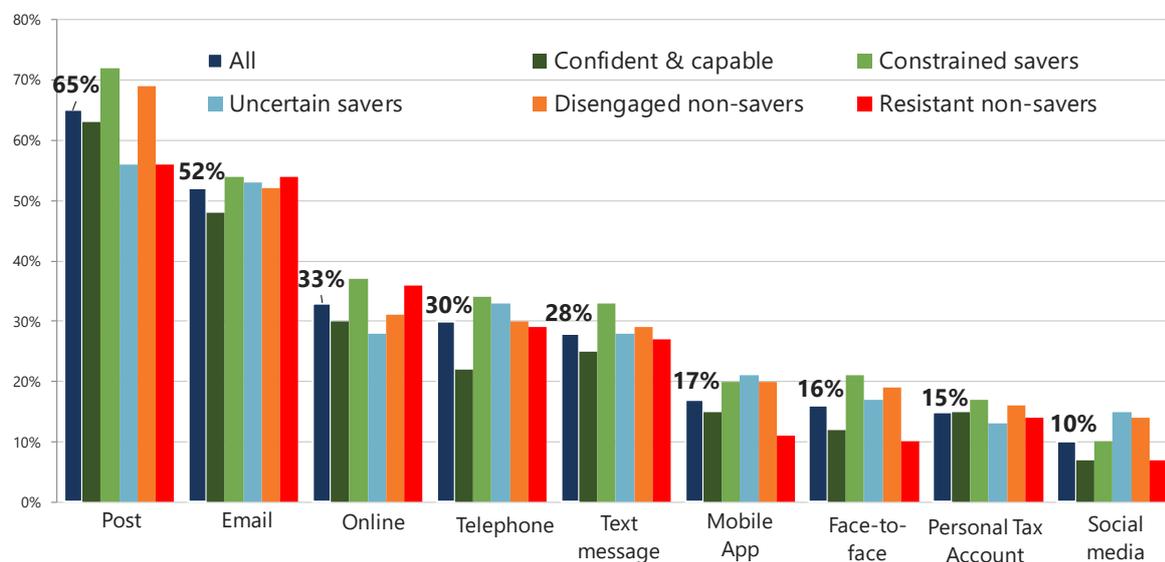
(Universal Credit Claimant, Lone Parent, Self-employed, Liverpool)

Participants said that a **letter would be the best type of direct channel to raise awareness** among eligible customers as they thought people would be most likely to notice and pay attention to a letter. Evidence from the survey of WTC customers supports this – some 65% indicated a preference for HMRC to keep them informed about future products and services by post, while 52% indicated a preference to be kept informed by email.

Generally Confident and capable savers are less likely than the WTC population overall to favour any of the identified communication channels, but particularly information by telephone (22% compared to 30% overall). Indicatively, Constrained savers are more likely than the WTC population overall to favour information by post (72%) and text message (33%) while Uncertain savers are less likely than the WTC population overall to favour being informed by post (56%) but are more likely to favour information via social media (15%). However, neither represent a statistically significant difference to the WTC population overall. Among the Resistant non-savers, they are significantly less likely than the WTC population overall to favour receiving information by post (56%), by mobile app (11%) and by means of face-to-face contact (10%).

Figure 5.2: Preferences to be kept informed about future HMRC products and services

And how would you prefer for HMRC to keep you informed about its products and services in the future?



Source: All Working Tax Credit respondents to telephone survey (750)

It is important to note however that while letter was the preferred channel, a **bigger priority for participants was the use of direct channels in general**. As explained above, they were concerned about the potential negative impact other channels could have on them and thought that this could be overcome by using direct contact with eligible customers only.

Participants expected that this communication would outline the scheme and confirm their eligibility, provide answers to their key questions and explain how to open an account. Participants also wanted signposting to further information and support, for example a website that provided full details of the scheme and who they could speak to if they wanted to ask specific questions.

The link between their benefits claim and eligibility for the scheme meant that many participants assumed that this information and more personalised support could be provided by the tax credits and Universal Credit systems. Regardless of how the scheme is communicated, customers are likely to seek information and support from the tax credits helpline and Universal Credit staff, and have an expectation that these staff will be aware of the scheme and be able to answer their questions.

5.2 Branding and style

When asked about the impact of including government branding on trust in a savings product or service, a majority (58%) of WTC customers surveyed said it would increase it either a *great deal* or a *fair amount*. **With the exception of the lowest propensity saver group** (Resistant non-savers - where 17% stated inclusion would increase trust), a **majority of customers in all other segments believe inclusion of government branding would increase trust**. This is particularly the case for Constrained savers.

Group participants were largely positive about using a government brand for the Help to Save scheme. They thought this would mean they would be likely to pay attention to communications and trust the information they received. When thinking about specific logos to use on communications, participants tended to prefer the HMRC brand to HM Government. The main reason for this was familiarity; participants recognised the HMRC logo from letters they had received and other communications they had seen. While a savings scheme was not something participants said they would typically associate with HMRC, they felt that the brand would give the scheme credibility and make people feel that their money would be secure.

"I feel a bit more comfortable with the H revenue (sic) yeah, yeah rather than the government."

(Non saver, discussion group participant)

The HM Government logo was less familiar to participants and they felt that this might raise questions about who exactly was running the scheme. Further, some participants confused the HM Government logo with the Ministry of Justice and said that they would expect a communication with this logo to be a court summons rather than an offer for a savings product.

Some group participants were, however, negative about the idea of Help to Save being run by HMRC or by any Government department. Individual concerns related to HMRC being perceived as a 'scary' institution that individual participants did not want to deal with, suggesting for example that a local authority could run the scheme instead.

Participants **said that they did not want Help to Save communications to feel like a typical Government communication**. Ideally, they wanted communications to balance the credibility and

trustworthiness that HMRC, or any other Government branding can provide while drawing on the positive and friendly tone of communications for financial products provided by banks. The reason for this was that participants thought that opening a Help to Save account should be a positive experience for people, and that receiving communications that feel positive would make people feel better about the scheme and encourage them to engage with it. Suggestions included using bright colours and visuals alongside simple and positive language to communicate the scheme.

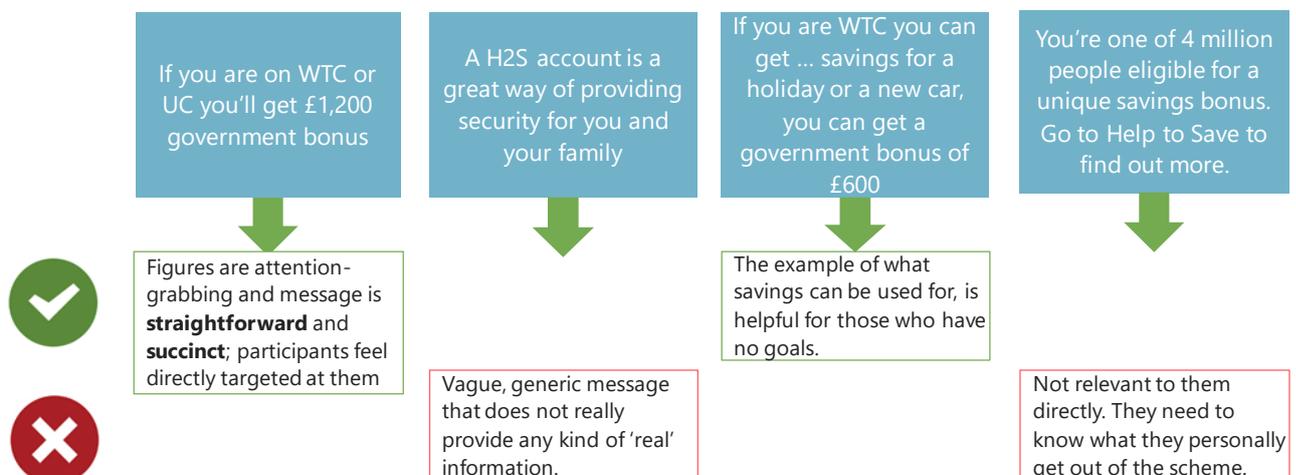
5.3 Messages to encourage take-up

Analysis of the wider WTC population indicated that across both higher and lower propensity saver groups there is some **core commonality in the types of features and information** that are **important to encouraging saving** and when choosing a savings product. Information on the benefits of the product are, by some margin, the most important when choosing a savings product and *'a government-backed savings account that gives 50p for every pound saved'* is the feature most likely to encourage customers to start saving or save more (see section 3.4). A savings account that is guaranteed to be safe and that is easy to understand and manage are also consistently prominent features most likely to encourage saving. Framing communication messages around these core elements will be important in the initial contact to maximise interest and potential take up of the scheme.

Reactions to some more specific messages were tested with focus group participants to explore the types of messages that might encourage people to open a Help to Save account.

Supporting evidence from the wider survey of WTC customers, participants consistently **preferred messages that focussed on the specific benefits** of the Help to Save scheme and the **potential bonus they could receive** by using the account. Figure 5.3 below shows how participants reacted to different types of messaging. A full list of the messages discussed with participants can be found in Appendix B.

Figure 5.3: Message preferences



Participants tended to have a **negative reaction to messages that outlined the benefits of saving generally** because they felt they already understood the potential benefits of saving and did not need this explained to them. They were also **negative** about messages that stated **how many people were eligible to sign-up**, as they did not feel that this would be relevant to their decision making. Instead, they preferred messages that were directly relevant to them and provided specific examples including concrete figures and saving goals. While they wanted the emphasis to be placed on the bonus, attention-grabbing figures were considered a good way to explain how the scheme works.

“Focus should be on the benefits and [...] what are you going to get out of it, that will sell the products”

(Working Tax Credit Claimant, Two-parent household, Working full-time, Confident and capable)

There were some differences between savers and non-savers in the types of examples they wanted. Savers said that they would be likely to save the maximum of £50 each month and would aim not to withdraw any money from the account and so they wanted messages to focus on the maximum bonus that they could receive. Non-savers felt that they would likely struggle with saving £50 each month and they felt that messages which focussed on the maximum might make them feel the account was not for people like them. One way of dealing with these differing needs would be to focus on the bonus rate rather than the potential sum. The 50% bonus was not only easily understood **but also felt to be worthwhile no matter how much someone could save.**

5.4 Maximising take-up

Once customers are aware of their eligibility, the **key to maximising take-up will be addressing the questions and concerns** they will have about the scheme (see sections 4.3-4.4). Participants expected clear, honest communication from HMRC about the scheme and the potential impact it could have on them, including both positive and negative outcomes. They said that even if there were some less attractive features relating to the scheme, these should be shared with customers to ensure trust in the scheme and the government. This was particularly important for group participants who believed that there must have been some important information about the scheme that had not been shared with them.

Essentially, they thought that the scheme sounded too good to be true and that there had to be a catch which they would be determined to find before they signed up. This suggests that open, clear communication about the scheme is important, including answers to customer queries, so that they feel reassured about saving their money through the Help to Save scheme.

“If they are making you aware of something they need to tell you the ins and outs of the scheme, right there and then so you can make an informed decision”

(Working Tax Credit Claimant, Lone parent, Working on zero-hour contract, Resistant non-saver)

“Communication and honesty [...] they just need to get the information out there”

(Non-saver, discussion group participant)

Participants expected to find this information about the scheme and answers to their questions on a range of platforms. **They expected that the GOV.UK website would contain relevant information, FAQs and Terms and Conditions.**

“Frequently asked questions, Ts and Cs and I'd expect to find information there and if I didn't it would lead me to somewhere that I'd want it to, until eventually, maybe it's a contact number, I'd just need to speak to someone and ask them a question.”

(Non-saver, discussion group participant)

Those that were confident online suggested that they would search more widely on google and online financial guidance websites, such as Money Saving Expert. As previously mentioned, due to the association of eligibility with a UC or WTC claim, participants also expected Work Coaches, tax credit helpline advisors as well as Jobcentre staff to provide them with information or clarification on the scheme if customers required this. Participants also assumed that the Citizens Advice Bureau could be briefed so that customers could call them for impartial advice. They said they trusted Martin Lewis as an independent expert and would seek advice from him, particularly in relation to their questions about the impact of the scheme on their benefits.

“If he backed it most people would believe it because he's pretty much like the oracle of finance for most people.”

(Saver, discussion group participant)

There was also an expectation amongst all participants that HMRC should provide a helpline to address specific questions over the phone. They thought that this would be more personal, clarify doubts, and reassure customers. Live chats and forums were also mentioned in this context.

Analysis of WTC customer segments also suggests that some tailoring of messages may assist in maximising take-up of the scheme, even among the lower propensity saver groups. For example, among the lower propensity saver groups, knowing about the eligibility of the scheme and the possible rewards of using it are relatively more important to Disengaged non-savers whereas among Resistant non-savers (the lowest propensity saver group) having an account that is easy to understand and accessible are relatively more important. Communication messages focusing on these attributes are likely to have greater resonance across these groups.

Figure 5.4: Summary of possible levers to communicate and channels to use by customer segment

	Potential take up	Possible levers to communicate	Channels
Confident & capable →	Highly likely Capable & confident Likely to be encouraged	Benefits & Bonus Restrictions & costs important	 Stronger Email & online preferences
Constrained savers →	More likely Value saving but constrained Likely to be encouraged	Benefits & Bonus Understandable, easy & accessible Guarantees & trust important Gov. branding helps with trust	 Strong Postal preference
Uncertain savers →	More likely Do save, but not informed Likely to be encouraged	Benefits & Bonus Understandable & easy Guarantees, trust & Gov branding Restrictions important	 Stronger telephone preference
Disengaged non savers →	Less likely More spender than saver Less likely to be encouraged	Guarantees & Bonus Rewards & eligibility important	 Stronger Postal & face-to-face preferences
Resistant non savers →	Unlikely Lack capability & confidence Least likely to be encouraged	Bonus Understandable & accessible	 Stronger online preference, but low digital confidence

Among **higher propensity saver groups**, although many of the Confident and capable group are likely to take-up Help to Save, **knowing about the restrictions and any financial costs associated with the scheme** are particularly important for this segment. Among the Constrained saver group, guarantees and trustworthiness are relatively more important and it is among this group that inclusion of government branding is likely to have the most impact on increasing trust in a product.

While WTC customers prefer to be kept informed using a range of platforms, two channels (post and email) consistently stand out as preferred by most regardless of which segment they are in. Nevertheless, there is some variability in preferences across the segments. The Confident and capable group are for example, less likely than the WTC population overall to favour receiving information by telephone, while Constrained savers show a greater tendency to receive information by post. In contrast, the Resistant non-saver group is less likely than the WTC population overall to favour receiving information by post, by mobile app and by means of face-to-face contact. Among this segment, the preference to receive information via online sources is in line with the WTC population overall despite this segment being characterised by low digital confidence.

5.5 Views on the welcome pack

The importance of answering participants' questions, concerns, and doubts about the scheme was evidenced in the groups, where a Welcome pack was provided to assess how information on the scheme was received. While there was some scepticism of the scheme and its rationale throughout the group discussions, **once participants read the Welcome pack, they were more receptive towards the idea of signing up to the Help to Save account**. They said the pack helped address some of their queries and reassure them that it could work for them. Furthermore, they felt that it would be even more reassuring if the impact on benefits was answered in the pack, too.

“I think they’ve covered most things. Just make it a bit friendlier.”

(Saver, discussion group participant)

“[answers to questions] would give more peace of mind.”

(Non-saver, discussion group participant)

Overall, participants thought the Welcome pack provided clear, thorough information, eliciting positive responses from even the most sceptical participants. Again, it was noted that more visuals and a link to the account would make the scheme more appealing and relevant to customers.

“I would prefer a nice glossy leaflet. Few pictures, bright colours”

(Saver, discussion group participant)

Finally, they felt that the **tone could be friendlier**, to avoid it sounding like a standard tax letter and to encourage people to feel positive about the scheme. Again, **emphasising the 50% bonus as a key incentive of the scheme was considered to be a good way of doing this.**

5.6 Supporting customers after take-up

Participants suggested a number of ways that they could be supported with making the most of their Help to save account. These were:

- A **calculator** on the Help to Save website which would allow them to see the potential bonus for saving different amounts each month and to check the maximum bonus available to them based on their balance. This would be useful for all types of customers but particularly for those who will not be able to able to save the maximum of £50, or to save each month.
- **Personalised messages** to encourage customers to continue saving. Participants felt that these messages could be useful in prompting them to save what they could each month and for encouraging them to return to their account if they skipped any months, or after they had made a withdrawal. They felt that SMS or emails would be the most appropriate channels for these messages and expected to have the option for signing-up to one or both channels when they opened their account. Customer preferences for these messages are discussed further below.
- **Option to lock savings in** the account. This was only relevant to participants who said that they currently struggled to save because they tended to spend any disposable income they had impulsively. They said that while the bonus would encourage them to save into the account, they would be likely to withdraw money they put into it quite quickly and without thinking about it carefully, most likely regretting this later. They said the only way they would be able to save would be to use a product that would not allow withdrawals or would make withdrawing money complicated and time-consuming. However, it should be noted that all other types of participants wanted easy access to their money if they needed it and may be put off by any barriers to this.

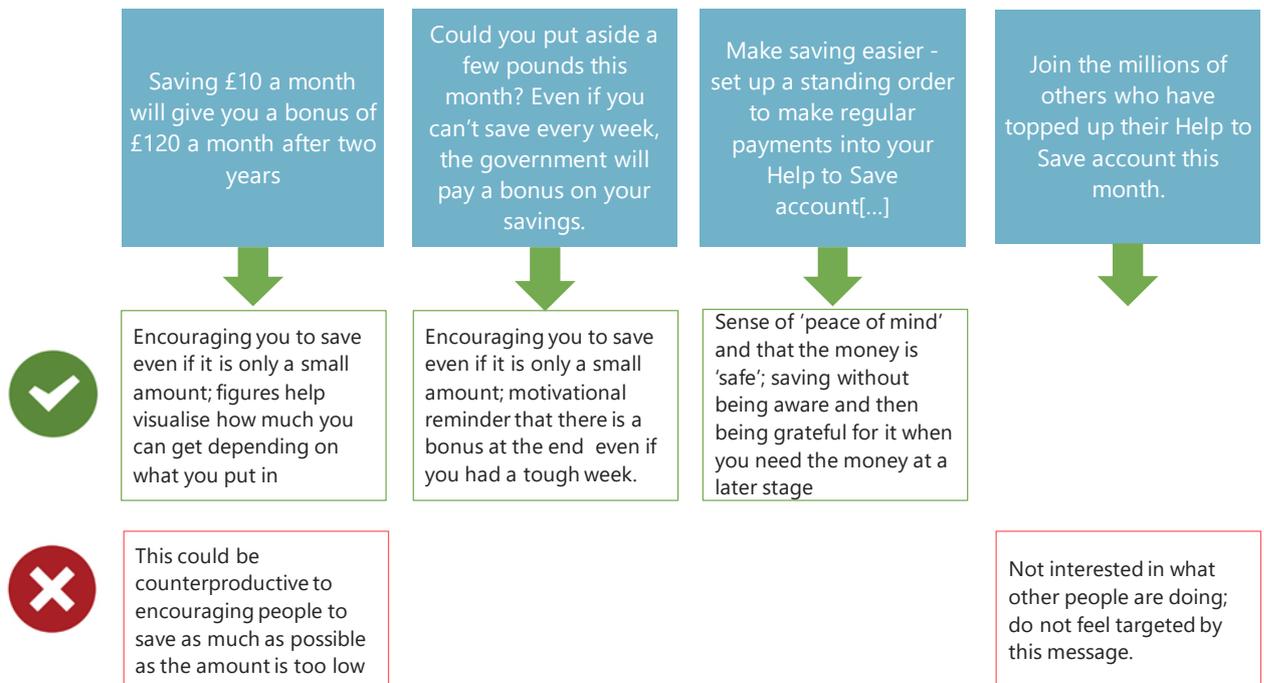
“It’s good in a way and bad in a way because you can chip away at it when you could be saving it but it’s good in emergencies.”

(Working Tax Credit Claimant, Lone Parent, Working Part Time, Disengaged non-saver)

- **Advice or support when the account closes** to support customers with making decisions about where to move the money. This was relevant to current non-savers who felt that if the aim of Help to Save is to help people develop a savings habit, then there will need to be support available to customers to continue this when the scheme ends. This could include signposting to trusted advice sources on other products available including savings accounts and investment products.

Messages to encourage customers to make the most of their account were tested with focus group participants. Figure 5.3 below summarises how participants responded to different types of messages. A full list of the messages discussed with participants can be found in Appendix B.

Figure 5.4. Reminder messages preferences



Current savers tended to like messages that would **remind them of the potential bonus** they could receive and ways to make managing their account easier, for example by setting up a standing order. They did not feel that they needed encouragement to save but said that such messages would not be unwelcome.

Non-savers tended to prefer messages that would prompt them to think about whether they had any money available to put aside each month, even if that was only £5 or £10. This, they said, could encourage them to think differently about their money, by **focussing on the potential lump sum and bonus they could receive after two years.**

Non-saver participants, who were more likely to withdraw money or have long periods of inactivity also welcomed messages which could encourage them to start saving again. It was important to them, that the **nudges did not focus on the withdrawal or inactivity** itself, but rather highlighted the benefits of starting to save again, even if only a small amount was contributed to the account.

Ideally, participants wanted these messages to be personalised, responding to their account use, for example, if they had not paid in that month, or after they had made a withdrawal and based on their balance, highlighting the potential bonus they could receive. These could help participants to focus on the end goal and to stay motivated.

6 Conclusions and recommendations

This research suggests that **Help to Save is likely to appeal to the majority of people eligible to open an account**. While the eligible population are not all current savers, and many report facing numerous barriers to saving, the Help to Save scheme was seen as a good opportunity to increase or begin saving. The **key motivator would be the 50% bonus** that was recognised as a much better offer than any other product available. The bonus was seen as appealing enough for many to consider finding ways to cut back on nice to haves in order to start saving, save more regularly or save more. This could act as a powerful goal for customers, providing them with a positive, tangible outcome to focus on.

Ensuring that eligible customers are aware of the scheme and its potential benefits will be vital. The preference here is for **direct communications that present the account in a positive way**, emphasise the benefits but also clearly explain any potential negative impact using the account may have. Taking an open approach to communications will be important, as customers are likely to have a number of concerns and questions, some of which could prevent even the most interested from opening an account – the **impact on benefit entitlement and the security of their money** being the most significant.

Confident and capable savers are most likely to open an account, use it regularly, and achieve the full bonus available. For these customers, Help to Save is likely to be viewed as a sensible way of maximising the return on their savings rather than an opportunity to change their financial behaviour. For this segment, knowing about the restrictions around the scheme and any financial costs associated with the scheme are particularly important. Consistent with the WTC population overall, Confident and capable savers favour postal, email and online communication channels to receive information, but are less likely to favour receiving information by telephone.

Constrained saver and **Uncertain saver** groups are also likely to open an account; while they value the principle of saving, they typically face more barriers to saving. For these groups, again messages around the bonus and the benefits of Help to Save will be important, as too are messages highlighting accessibility of any money they have saved and the ease of managing the account. For both, the inclusion of Government branding on communications will help promote trust in the scheme. Again postal and email forms of communication are favoured most by these groups while Constrained savers also show a greater tendency to favour online and text message channels.

Those who may be **more difficult to reach but potentially get the greatest benefit from the account are the low propensity saver groups** (Disengaged and Resistant non-savers). This is a varied group of customers who experienced both practical and attitudinal barriers to saving but the offer of encouragement and support, and vitally, the incentive of the bonus is likely to convince many of these customers to open an account. These customers are less likely to save every month, or pay in the maximum amount and will be more likely to make withdrawals but the account may mean that they think differently about their money, looking for ways to cut back spending or see the benefits of saving even small amounts. For these groups messages around the bonus as well the accessibility and

eligibility of the scheme are more important to helping to incentivise saving. As with other segments, postal and email are the most preferred channels to receive information, while despite lower levels of digital confidence, Resistant non-savers also show a greater tendency to favour information via online channels.

Customers are **open to receiving encouragement and support** in making the most of their account and **lower propensity saver groups in particular will be likely to benefit from this**. Regular and ideally personalised messages to remind them to save what they can each month, and encouragement to go back to the account after gaps in payments or a withdrawal would be welcomed even by those who feel they would not need much encouragement or support. Customers also expressed a need for support with continuing to save or making the most of money saved in their account once the scheme has ended. The view here is that if the Government wants to support and encourage people to develop a long-term savings habit, then this should continue even if the account does not.

The **key recommendations** for communicating Help to Save and in supporting customers with making the most of their accounts are outlined below:

- **Use direct channels to communicate the scheme:** Participants provided a number of reasons for preferring direct channels. The key reason was that if it is possible to tell someone directly that they are eligible then they should be told rather than needing to see advertisements and question whether or not it is relevant to them. Letters were felt to be the best channel to use for this but any form of direct targeting (via email for example) would be welcomed as long as it is attention catching and explains the key features of the scheme.
- **Focus on the bonus rate:** Communications should focus on the bonus rate rather than the potential return. Customers may respond differently to the £50 a month limit, savers may feel this is too low to be worthwhile, non-savers may feel it is too high to achieve and both of these views could make potential customers feel that the account is not relevant to them. The 50% bonus is likely to have a more universal appeal.
- **Provide clarity on the bonus for the second saving period.** Participants found the explanation for the second bonus confusing, especially the concept of exceeding the highest balance achieved during the first period. Ensuring that customers understand that they will have one account with one balance for the entire four years may make this clearer. The explanation could also be made clearer by using visual examples of how the bonuses will be applied and how withdrawals may impact this.
- **Be positive but do not preach:** Communications should strike a balance between providing positive encouragement without feeling paternalistic. Participants did not respond well to messages that communicated the general benefits of saving but they did want communications to make them feel that opening an account would be a positive action. This could be achieved by using colour, interesting layouts and visuals alongside messages that are focussed on the Help to Save account and its specific benefits. To assist with maximising take-up, further consideration should be given to tailoring communications to particular

groups (as noted above), recognising that practicalities over identification may restrict the scope of this.

- **Address concerns clearly:** Participants raised a number of questions that they would want addressed before making a decision about opening an account. Two of these, the potential impact of saving on benefit entitlement and the security of their money, could prevent take-up if potential customers feel these have not been addressed fully or if they are not comfortable with the rules. These could be addressed through FAQs which could either be sent to customers, along with other communications about the scheme or on GOV.UK.
- **Provide personalised encouragement:** Sending a friendly reminder towards the end of the month if a customer has not made a payment into their account could prompt customers to think about what they could save. Providing updates on the bonus they are able to achieve could help to keep customers motivated. Making these messages personalised to a customer's account is likely to be more effective and making these messages positive may make customers more likely to engage with them.
- **Be comfortable with set-backs:** There will be months when customers are unable to save and times when they need to make a withdrawal. Customers can be supported to go back to saving by focussing on the potential bonus they can still receive rather than what they have missed out on.
- **Help customers to continue saving:** Those who will be using Help to Save to save regularly for the first time could benefit from guidance or signposting to advice, to help them make a decision about what to do with their money once Help to Save has ended and which products may benefit them.

7 Appendix A: Technical details

The project began with a **rapid evidence review** to help build a theoretical framework around savings behaviours to inform the development of both quantitative and qualitative research materials. Ipsos MORI scoped 36 sources of evidence, ranked each according to the sources' relevance to the research, and how recent the findings were. In total, 24 sources were reviewed and a summary report prepared for HMRC.

Fieldwork took place between September and October 2017 and comprised several mixed-method strands as outlined below.

7.1 Quantitative phase

Ipsos MORI conducted a telephone survey of 750 Working Tax Credit customers using a random probability methodology. Although the target population for the research was both Working Tax Credit and Universal Credit customers, sample availability dictated that the survey could only be conducted with Working Tax Credit customers. The sample was drawn randomly from HMRC records, a detailed breakdown of the sample quality and response rates is included in section 7.1.1 below. A boost sample was also subsequently drawn from the same source to support the necessary number of completed interviews. Telephone matching was undertaken for records in the sample that did not include a telephone number.

Prior to fieldwork customers were sent an advance letter that provided information on the study and gave them the opportunity to opt out of the research. During the development of the questionnaire, cognitive testing was conducted to test respondents understanding of key elements of the questionnaire ahead of the mainstage fieldwork. This consisted of five 60 minute interviews taking place in August 2017.

Interviews lasted an average of 20 minutes and were undertaken by Ipsos MORI's in house telephone interview team. Fieldwork took place from 22nd September to 5th November.

7.1.1 Sample and response rates

Below is a breakdown of the sample provided by HMRC and the outcomes during processing and fieldwork:

Table 7.1: Sample and response rate for WTC telephone interview survey

	(N)	(%)
Total sample provided	7503	
Original sample	4005	
Boost sample	3498	
Invalid sample		
Ineligible (screened out)	101	
Bad numbers	817	
Opted out	108	
Sample available for fieldwork*	5915	
Completed interviews	750	
Refusals	769	
Live sample	4396	
Eligibility (complete/complete + ineligible)		88%
Unadjusted response rate		10%
Co-operation rate (complete / complete + refusal)		49%
Adjusted response rate (complete / valid sample)		13%

*After processing, opt out exercise and screening for ineligible and bad numbers

7.1.2 Weighting

At the data processing stage, data were weighted by five variables: gender, age, number of children in the household, household income and disability status. The impact of the weighting on the data is outlined below:

Table 7.2: Impact of weighting WTC telephone interview survey

Sample type	Unweighted		Weighted	
Have saved some income in the past	421	56%	423	56%
Mainly or only long term saver*	110	26%	103	24%
Live in home being bought on a mortgage	206	27%	210	28%
Renting	436	58%	421	56%
Employed	426	57%	428	57%
Self employed	202	27%	204	27%

*Of those who had saved in the past

7.1.3 Margins of error

The respondents to the survey are samples of the total 'population' of Working Tax Credits customers so we cannot be certain that the figures obtained are exactly those we would have obtained if all customers had been interviewed (the 'true' values). However, the variation between the sample results and the 'true' values can be predicted from the knowledge of the size of the samples on which the results are based and the number of times that a particular answer is given. The confidence with which this prediction can be made is usually chosen to be 95% - that is, the chances are 95 in 100 that the 'true' value will fall within a specified range. The table below illustrates the predicted ranges for different sample sizes and percentage results at the "95% confidence interval".

For example, if 50% of Working Tax Credit customers say that they are likely to save in the next 12 months, the chances are 19 in 20 that the 'true' value (which would have been obtained if the whole population of Working Tax Credit customers had been interviewed) will fall within the range of ± 3.6 percentage points from the sample result (i.e. between 46.4% and 53.6% inclusive).

Table 7.3: Accuracy levels of WTC telephone interview survey estimates

	Base size	95% confidence interval for a survey estimate at the following percentages		
		10%/90%	30%/70%	50%/50%
All Working Tax Credit customers	750	2.1	3.3	3.6
White	550	2.5	3.8	4.2
BAME	188	4.3	6.6	7.1
Have physical / mental condition or illness	35	9.9	15.2	16.6
Have saved some income in the past	421	2.9	4.4	4.8
Mainly or only long term saver	103	5.8	8.8	9.7
Likely save in the next year	363	3.1	4.7	5.1
Currently hold savings account (in ISAs)	403	2.9	4.5	4.9
Live in home being bought on a mortgage	206	4.1	6.3	6.8
Owned outright	85	6.4	9.7	10.6
Renting	436	2.8	4.3	4.7
Employed	453	2.8	4.2	4.6
Self employed	204	4.1	6.3	6.9

7.1.4 Segmentation approach

A key factor to the research design and analysis phase was the development of a robust segmentation approach to profile the key groups within the population and allow communications to be tailored to customers. Using the extensive attitudinal and behavioural savings variables drawn from the quantitative survey, the segmentation resulted in the development of five segments within the wider Working Tax Credit population.

An explanation of the segmentation approach and process follows:

The first stage involved the data preparation for the segmentation analysis. This involved checking the distribution of all attitudinal variables for their clustering potential. At this stage, variables that displayed a high-level skew (over 85% agreement or disagreement) were excluded from the process. All variables were standardized to a mean of 0 and Standard Deviation of 1 to account for differences in scale measurement. A correlation matrix was then run on the remaining variables. The results were analysed at this stage to identify extreme or unusual outliers. Three percent of respondents were excluded based on this.

Following this, a hierarchical cluster analysis using a Ward method was undertaken to determine the clustering structure of the individual segments. An analysis of the results was then conducted based on the distances between clusters and the 'step of elbow' rule (the sudden increase in cluster distance). This resulted in five segments being defined and used for the analysis of results.

To validate the five selected segments a discriminant analysis was run predict segment membership using the selected clustering variables. Across the five segments, the analysis found that classification was correct in 93% of cases which suggested that the approach had a high level of validity.

Table 7.4: Discriminating variables for segmentation (in order of importance)

Variable	Confident & Capable (n=166)	Constrained saver (n=197)	Uncertain saver (n=79)	Disengaged non-saver (n=146)	Resistant non-saver (n=138)
I feel that I have all the information I need to make well informed decisions about my personal finances	0.29	0.33	-2.03	0.16	0.30
I generally prefer to buy things on a credit card or loan, than save up to buy something	-0.19	-0.39	-0.20	1.05	-0.41
I tend to buy things even when I can't really afford them	-0.41	-0.42	0.22	1.04	-0.25
Thinking about my financial situation makes me anxious	-1.06	0.47	0.09	0.33	-0.06
An account where your savings are guaranteed to be safe	0.10	0.47	0.31	0.15	-1.10
I can't afford to save for retirement	-1.03	0.30	0.09	0.21	0.42
How confident, if at all, are you that you are saving enough money to cope with a 'rainy day' (e.g. an unexpected bill, period of reduced income or no income)	0.96	-0.15	-0.38	-0.22	-0.39
To what extent or not, would the inclusion of government branding, such as a government department logo, increase your trust in a savings product or service?	-0.03	0.61	0.15	0.10	-0.95
How likely or unlikely are you to save any money in the next year?	0.66	-0.04	0.13	-0.04	-0.72
I am more of a saver than a spender	0.39	0.41	-0.30	-0.57	-0.33
An account that also gave you access to other products such as loans	-0.16	0.28	0.28	0.58	-0.59
I'd rather live for today than save my money for tomorrow	-0.33	-0.31	-0.20	0.77	0.26
I prefer my money to be easily accessible rather than committing it for the long-term	-0.25	0.06	-0.04	0.29	0.02
When I was growing up I was not encouraged to save	-0.32	-0.02	0.02	0.25	-0.08

7.2 Qualitative phase

7.2.1 Methodology

Ipsos MORI conducted a mixture of face-to-face and telephone depth interviews with 13 Working Tax Credit customers and 15 Universal credit customers. The aim of these interviews was to gain insight into participants' motivations and barriers to saving, their views on the Help to Save scheme as well as their likelihood of signing up to it. The in-depth interviews took place between 11th September and 13th October. Each interview lasted for up to one hour and was conducted using a discussion guide (see Appendix B).

In addition, two discussion groups were held on 30th October in London with a mix Working Tax Credit and Universal Credit customers across a group of savers and a group of non-savers. There were 8 participants in the savers group and 6 participants in the non-savers group. Each group lasted for 90 minutes. The discussions within these groups focused on participants' views on the Help to Save scheme, their understanding of the bonus and communication preferences in relation to sign up to and continued use of the scheme. To test the latter, a range of communication messages were presented to participants, who then chose and explained why they preferred certain messages. Copies of the materials can be found in Appendix B.

As is common practice in qualitative research an incentive was offered as a gesture of appreciation for the participants' time and contribution to the research. Customers who participated in an interview received £25 for taking part. Customers who participated in a focus group received £40 cash as a thank-you for their time and to cover any costs incurred by attending the group.

NVivo software was used to store, organise and analyse the qualitative data, which was complemented by regular analysis sessions with the fieldwork team. Analysis was conducted on a thematic basis, at a case-by-case level, and then across specific groups including benefits claimed, savings behaviour and employment type to explore the similarities and differences between them.

7.2.2 Sampling and recruitment

The sample for WTC customer was drawn from those who had agreed to be re-contacted in the quantitative telephone survey; UC customers were recruited using a free-find method by specialist on-street recruiters. Among the UC sample, around half were recruited from London and the other half from Liverpool and the surrounding area.

All customers recruited claimed UC or WTC and were working at least 16 hours and earning at least £120 per week (this could apply to the participant or their partner).

To ensure that a range of customers were included, quotas were put in place on a number of criteria. The table below details recruited participants' characteristic against these criteria.

Table 7.5: Quota grid for depth interviews

		WTC	UC
Primary quotas			
Location	London	NA	7
	Liverpool		8
Household type	Two parent household (at least one child <18)	6	5
	Single parent household (at least one child <18)	4	7
	Single person or couple (no children)	3	3
Employment type (participant)	Full time (at least 35 hours per week - including self-employed working 35+hrs)	6	5
	Part-time (more than 16 hours but less than 35 hours)	5	8
	Irregular hours and income (self-employed, shift work, zero hours contract)	2	2
Saving behaviour	Regularly save	3	3
	From time to time	4	5
	Never save	6	7
Reasons for saving	Mainly long term for future	3	3
	Mainly short term (upcoming events and things needed now)	4	7
Digital Capability	Confident online	8	11
	Not confident online	5	1
Secondary quotas			
Age	Below 25	2	2
	25 -50	7	12
	51-65	4	1
Barriers to saving (more than one can apply)	Can't afford to	3	7
	Wanted to pay off debts first	-	6
	Haven't had time to look into this or sort it out	2	-
	Never done this and/or too late to start	1	1
Incentives to save (more than one can apply)	Return on your investment	12	1
	Flexible and simple account	10	5
	Advice on savings products	10	-
Gender	Female	6	9
	Male	7	6
Ethnicity	White British	10	10
	BAME	2	5
	Other	1	-

Table 7.6: Quota grid for groups

		Group A: Savers	Group B: Non-savers
Primary quotas			
UC/WTC	Currently claiming Universal Credit	4	3
	Currently claiming Working Tax Credit	4	3
Employment type	Full time (at least 35 hours per week)	4	4
	Part-time (more than 16 hours but less than 35 hours)	2	1
	Irregular hours and income (self-employed, shift work, zero hours contract)	2	1
Household type	Two parent household (at least one child <18)	3	2
	Single parent household (at least one child <18)	1	3
	Single person or couple (no children)	4	1
Savings behaviour	Regularly save/Save from time to time	8	-
	Never save	-	6
Secondary quotas			
Barriers to saving (more than one can apply)	Can't afford to	-	4
	Wanted to pay off debts first	-	2
	Haven't had time to look into or sort it out	-	1
	Never done this and/or too late to start	-	-
Incentives to save (more than one can apply)	Return on your investment	6	2
	Flexible and simple account	1	1
	Advice on savings products	2	1
Gender	Female	3	4
	Male	5	2

8 Appendix B: Research materials

8.1 Quantitative research material

Survey introduction

Good morning / afternoon / evening.

My name isand I am calling you from Ipsos MORI, the research organisation, on behalf of Her Majesty's Revenue and Customs (HMRC).

May I please speak to [\[insert name of resident from sample\]](#).

INTERVIEWER: If transferred to another person, repeat "My name is _____ from Ipsos MORI...Her Majesty's Revenue and Customs".

We recently wrote to you about some research we are conducting with people who are eligible for a Help to Save account which will be launched in April 2018 to encourage and support people to build up savings.

You have been randomly selected to participate in this study and we would like to find out more about what you think about approaches to saving, motivations and barriers to savings to help support and inform the future development of this service.

The survey will take around 15 minutes. I would like to assure you that any information you provide will be treated in the strictest of confidence and used for research purposes only. The research findings will not identify you and no personal information will be shared with HMRC or any other third parties. Further, helping with this study will never affect any contact you have with a government department or agency, now or in the future.

QA. Are you available to discuss this briefly now? (Arrange a call back if necessary – the interview takes around 15 minutes)

INTERVIEWER: Check with the caller they are the named person. If it is not [NAME] code as 4 'No, not named person...'

ASK ALL // SC

- | | |
|--|--------------------|
| 1. Yes, [NAME] , appropriate time | CONTINUE TO SURVEY |
| 2. Yes, [NAME] , but need to call back | MAKE APPOINTMENT |
| 3. Yes, [NAME] , but refused | THANK & CLOSE |
| 4. No, not named person [NAME] | THANK & CLOSE |

Before we begin, I'd like to confirm some details to make sure that the questions are relevant to you.

QS1. Are you currently receiving Tax Credits?

ASK ALL // READ OUT// SC

1. Yes, I receive Working Tax Credit only
2. Yes, I receive Working Tax Credit and Child Tax Credit
3. No, I do not receive Working Tax Credit (SCREEN OUT)

QS2. Are you currently claiming as an individual or part of a couple?

ASK IF QS1 = 1-2 // DO NOT READ OUT// SC

1. Claiming as an individual
2. Claiming as part of a couple (either married or living together)
3. Don't know (DO NOT READ OUT)
4. Refused (DO NOT READ OUT)

You and your household

I'd like to start by asking a little bit about you and your household.

QA1 Which of the following best describes your household?

ASK ALL // READ OUT // SC

1. Two parent family at least one child under 18 or under 20 in higher education
2. One parent family at least one child under 18 or under 20 in higher education
3. A couple, with no children
4. A couple, with children, but none under 20 and living in household
5. Single person, with no children
6. Single person, with children, but none under 20 and living in household
7. Don't know (DO NOT READ OUT)
8. Refused (DO NOT READ OUT)

QA2 And how many children under 18 years of age are currently in the household?

ASK IF CODE 1 OR 2 AT QA1// DO NOT READ OUT// SC

1. 1-2
2. 3-4
3. 5+
4. Don't know
5. Refused

QA3 Are you or your partner currently expecting a child or planning to have a child in the next 2 years?

ASK ALL // SC

1. Yes
2. No
3. Don't know (DO NOT READ OUT)
4. Refused (DO NOT READ OUT)

QA4 Is the current property you live in...?

ASK ALL // READ OUT // SC

1. Being bought on a mortgage
2. Owned outright
3. Rented from a local authority
4. Rented from a housing association
5. Rented from a private landlord
6. Other
7. Don't know (DO NOT READ OUT)
8. Refused (DO NOT READ OUT)

QA5 How would you describe your current working status?

ASK ALL // DO NOT READ OUT, PROBE AS NECESSARY // SC

INTERVIEW: PROBE FULLY ON ANY SELF-EMPLOYED WORK.

1. Working for an employer in paid employment
2. Working for an employer in paid work and undertaking some self-employed work
3. Self-employed work only
4. Not currently working but have main caring responsibilities
5. Not working and does not have caring responsibilities
6. Don't know
7. Refused

QA6 Which of the following best describes your contract in your current job?

ASK IF CODE 1 OR 2 AT A5 // READ OUT // SC

1. A permanent or open ended job / contract with a fixed or minimum number of hours per week
2. A temporary fixed term, contract or seasonal job / contract with a specified end date and regular or minimum number of hours
3. A zero hours' contract / job with no specified minimum number of hours and no guarantee of hours from week to week
4. Something else (specify)
5. Don't know (DO NOT READ OUT)
6. Refused (DO NOT READ OUT)

QA7 On average, how many hours a week do you currently spend in paid work?

ASK IF CODE 1 - 3 A5 // DO NOT READ OUT // SC

1. Less than 5 hours
2. 6 to 10 hours
3. 11 to 15 hours
4. 16 to 20 hours
5. 21 to 25 hours
6. 26 to 30 hours
7. 31 to 35 hours
8. 35 to 40 hours
9. Over 40 hours
10. Don't know
11. Refused

QA8 How would you describe your partners current working status?

ASK IF A1 = 1, 3 OR 4 // DO NOT READ OUT, PROBE AS NECESSARY // SC

INTERVIEW: PROBE FULLY ON ANY SELF-EMPLOYED WORK.

1. Working for an employer in paid employment
2. Working for an employer in paid work and undertaking some self-employed work
3. Self-employed work only
4. Not currently working but has main caring responsibilities
5. Not working and does not have caring responsibilities
6. Don't know
7. Refused

QA9 On average, how many hours a week does your partner currently spend in paid work?

ASK IF CODE 1 - 3 A8 // DO NOT READ OUT // SC

1. Less than 5 hours
2. 6 to 10 hours
3. 11 to 15 hours
4. 16 to 20 hours
5. 21 to 25 hours
6. 26 to 30 hours
7. 31 to 35 hours
8. 36 to 40 hours
9. Over 40 hours
10. Don't know
11. Refused

QA10 What is your total household MONTHLY income before any deductions for income tax and national insurance? Please include income from all sources such as earnings from employment, benefits, grants, maintenance from an ex-partner, interest on savings, and so on.

ASK ALL // DO NOT READ OUT, PROBE AS NECESSARY // SC

1. £1 to £249
2. £250 to £499
3. £500 to £999
4. £1,000 to £1,999
5. £2,000 to £2,999
6. £3,000 or more
7. Don't know
8. Refused

QA11 Generally, is this income the same month to month?

ASK ALL // SC // DO NOT READ OUT // PROBE IF NO

1. No – sometimes it is more
2. No – sometimes it is less
3. No – sometimes it is less and sometimes it is more
4. Yes
5. Don't know
6. Refused

QA12 How much does it typically increase by?

ASK IF CODE 1 AND 3 AT A11 // SC // DO NOT READ OUT // PROMPT IF NECESSARY

1. £1 to £20
2. £21 to 50
3. £51 to £100
4. £101 to £149
5. £150 to £199
6. £200 to £249
7. £250 to £299
8. £300 to £349
9. More than 350
10. Don't know
11. Refused

QA13 How much does it typically decrease by?

ASK IF CODE 2 AND 3 AT A11 // SC // DO NOT READ OUT // PROMPT IF NECESSARY

1. £1 to £20
2. £21 to 50
3. £51 to £100
4. £101 to £149
5. £150 to £199
6. £200 to £249
7. £250 to £299
8. £300 to £349
9. More than 350
10. Don't know
11. Refused

Saving and savings products

I'd now like to ask you a bit about saving and the savings you have.

QB1a. In your household, who makes the financial decisions such as buying a house or car for example?

ASK ALL // READ OUT // SC

1. You (respondent)
2. Your partner (if applicable)
3. Both you and partner
4. Someone else
5. Don't know (DO NOT READ OUT)
6. Refused (DO NOT READ OUT)

QB1b What would you say are your financial priorities at the moment?

ASK ALL // DO NOT READ OUT PROMPT IF NECESSARY // MC

1. Buying or moving house (including getting a deposit together)
2. Paying bills or making ends meet (including the cost of living)
3. Clearing debts
4. Family-related costs (e.g. childcare / school/ university)
5. Other family costs (gifts or days out for the children etc.)
6. Your work or business
7. Having a good social life
8. Building up savings (for retirement, getting married, holiday or to buy something – car/washing machine/boiler)
9. Something else (SPECIFY)
10. None of these
11. Don't know (DO NOT READ OUT)
12. Refused (DO NOT READ OUT)

QB2a. Which, if any, of the following describe what you do to keep track of your money?

ASK ALL // READ OUT // MC

1. Regularly check the balance of my accounts
2. Regularly check all incomings and outgoings (e.g. via statement, cash point, paper statement or mobile app, ring the bank or visit in person)
3. Use a banking app to manage my money
4. Compare spending against receipts
5. Have a log on my phone or computer that lists incomings and outgoings
6. Have a paper log to list incomings and outgoings
7. Other (specify)
8. Don't know (DO NOT READ OUT)
9. Refused (DO NOT READ OUT)

QB2b. Do you have any bank accounts in your name?

ASK ALL // SC

1. Yes
2. No
3. Don't know (DO NOT READ OUT)
4. Refused (DO NOT READ OUT)

QB2c How many bank accounts do you have?

ASK IF QB2B = 1 // SC

1. 1
2. 2
3. 3
4. 4 or more
5. Don't know (DO NOT READ OUT)
6. Refused (DO NOT READ OUT)

QB3 Have you ever saved any of your income, for example by putting something away in a bank, Post Office account or place in your home other than to meet regular bills?

ASK ALL // READ OUT // SC

1. Yes, I have saved some of my income now or at some point in my life
2. No, I have never saved any of my income at any point in my life
3. Don't know (DO NOT READ OUT)
4. Refused (DO NOT READ OUT)

QB4. Which, if any, of the following types of accounts and investments do you currently have, including any joint accounts?

ASK ALL // READ OUT // MC EXCEPT 8

1. Current account (incl. Basic Bank Account and Post Office Card Account)
2. Savings account
3. ISA (Individual Savings Account) – all types
4. Employee shares / share options/ other shares
5. Government / corporate bonds and gilts. (This is where you loan money to a company or to government, and receive interest until you are paid back)
6. Savings account specifically for children
7. Other financial assets not already mentioned above (SPECIFY)
8. None of these
9. Don't know (DO NOT READ OUT)
10. Refused (DO NOT READ OUT)

QB5. Do you currently have **any money** that is **not** held in a bank, such as cash kept at home, or cash saved with a family member or friend?

ASK ALL // SC

1. Yes
2. No
3. Don't know (DO NOT READ OUT)
4. Refused (DO NOT READ OUT)

QB6. Would you say your savings are mostly long-term savings for the future or short-term savings for things you need now?

ASK IF B3 = 1 // READ OUT // SC

1. Mainly or only long-term
2. Mainly or only short-term
3. Both equally
4. Neither
5. Don't know (DO NOT READ OUT)
6. Refused (DO NOT READ OUT)

QB7. What are the main reasons that you have saved money?

ASK IF QB3=1 // DO NOT READ OUT PROBE FULLY // MC

1. For unexpected expenditures / rainy day
2. For other family members (including for gifts or inheritance)
3. To provide stability and a savings pot as my income fluctuates
4. To provide income for retirement
5. To cover a planned expense in the future
6. For a deposit to buy property
7. For holidays or other leisure / recreation
8. For presents and important occasions (e.g. a wedding, birthday, Christmas or other religious festivals)
9. To see my money grow / good interest rates / speculation
10. Don't spend all of income
11. Other (SPECIFY)
12. Don't know
13. Refused

QB8. What are the main reasons for not saving?

ASK IF QB3=2 // DO NOT READ OUT PROBE FULLY // MC

1. Can't afford to
2. High inflation rates
3. Want to pay off debts first
4. Rather spend money now than save
5. My income frequently changes which makes it hard to save
6. My parents or other family members help me out
7. Do not need to save
8. Intended to but debts too high
9. Have not thought about it
10. Too late to start saving
11. Have an offset mortgage
12. Would lose out on benefits
13. Lack of trust in financial institutions
14. Don't have time to sort out
15. Savings is too confusing
16. Low interest rates/ potential for growth
17. Other (SPECIFY)
18. Don't know
19. Refused

QB9. What is the **current** value of all of [IF CODE 1 AT QB1a = your / IF CODES 2-6 at QB1a = the household's] savings?

ASK IF QB3=1 // IF RESPONDENT DOES NOT KNOW THE EXACT AMOUNT, RECORD THEIR ESTIMATED AMOUNT £ //

£

1. None
2. Don't know
3. Refused

PROMPT TO BANDS IF NECESSARY

1. None
2. £1 to £249
3. £250 to £499
4. £500 to £999
5. £1,000 to £4,999
6. £5,000 to £9,999
7. £10,000 or more
8. Don't know (DO NOT READ OUT)
9. Refused (DO NOT READ OUT)

QB10. In the last 12 months, have you saved money on a regular basis or just from time to time when you can?

ASK IF B3 = 1 // READ OUT // SC

1. Regular basis e.g. week-to-week or month-to-month
2. From time to time
3. Have not saved anything in the last 12 months
4. Don't know (DO NOT READ OUT)
5. Refused (DO NOT READ OUT)

QB11. How likely or unlikely are you to save any money in the next year?

ASK ALL // READ OUT // SC

1. Very likely
2. Fairly likely
3. Neither likely nor unlikely
4. Fairly unlikely
5. Very unlikely
6. Don't know (DO NOT READ OUT)
7. Refused (DO NOT READ OUT)

Attitudes, behaviours and barriers

I'd now like to ask you some questions about your attitudes to saving.

QC1. Thinking about yourself, please tell me how strongly you agree or disagree with each of the following....?

ASK ALL // SC FOR EACH // RANDOMISE ORDER // READ OUT

- a) Saving today will ensure I have a better life in the future
- b) When I was growing up I was not encouraged to save

- 1. Strongly agree
- 2. Tend to agree
- 3. Neither agree nor disagree
- 4. Tend to disagree
- 5. Strongly disagree
- 6. Don't know (DO NOT READ OUT)
- 7. Refused (DO NOT READ OUT)

QC2. Thinking about yourself, please tell me how strongly you agree or disagree with each of the following....?

ASK ALL // SC FOR EACH // RANDOMISE ORDER // READ OUT

- a) I prefer my money to be easily accessible rather than committing it for the long-term
- b) I can't afford to save for retirement
- c) I'd rather live for today than save my money for tomorrow
- d) I feel that I have all the information I need to make well informed decisions about my personal finances
- e) Thinking about my financial situation makes me anxious

- 1. Strongly agree
- 2. Tend to agree
- 3. Neither agree nor disagree
- 4. Tend to disagree
- 5. Strongly disagree
- 6. Don't know (DO NOT READ OUT)
- 7. Refused (DO NOT READ OUT)

QC3. How confident, if at all, are you that you are saving enough money to cope with a 'rainy day' (e.g. an unexpected bill, period of reduced income or no income)?

ASK ALL // READ OUT // SC

1. Very confident
2. Fairly confident
3. Not very confident
4. Not at all confident
5. Don't know (DO NOT READ OUT)
6. Refused (DO NOT READ OUT)

QC4. Do you have any specific savings goals for the next five years or not?
INTERVIEWER IF YES What are your goals?

ASK IF ALL // DO NOT READ OUT PROMPT IF NECESSARY // MC EXCEPT 12

1. Buying or moving house (e.g. saving for a deposit)
2. Paying bills, clearing debts or making ends meet
3. Family-related costs (e.g. childcare / school)
4. Your work or business
5. Having a good social life
6. Having more money to spend on relaxing and enjoy yourself
7. Building up savings for retirement
8. Building up savings more generally (e.g. for a rainy day or unexpected event)
9. Saving money to take care of my family (e.g. children, grandparents or other elderly relatives)
10. Saving for a large purchase (e.g. car, fridge or boiler)
11. Something else (SPECIFY)
12. No savings goals
13. Don't know (DO NOT READ OUT)
14. Refused (DO NOT READ OUT)

Financial capability

I'd now like to ask you a few questions around your current financial situation.

QD1. Thinking about yourself, please tell me how strongly you agree or disagree with each of the following statements?

ASK ALL // SC FOR EACH // RANDOMISE ORDER // READ OUT

- a) I tend to buy things even when I can't really afford them
- b) I am more of a saver than a spender
- c) I generally prefer to buy things on a credit card or loan, then save up to buy something

1. Strongly agree
2. Tend to agree
3. Neither agree nor disagree
4. Tend to disagree
5. Strongly disagree
6. Don't know (DO NOT READ OUT)
7. Refused (DO NOT READ OUT)

QD2. To what extent do you worry about making ends meet, at the end of the week or month?

ASK ALL // READ OUT // SC

1. A great deal
2. A fair amount
3. Not very much
4. Not at all
5. Don't know (DO NOT READ OUT)
6. Refused (DO NOT READ OUT)

QD3. Thinking about your household, how often, in the last 12 months, did you run out of money before the end of the week or month? Please include any times when you have run out of money and had to use your credit card, an overdraft or borrow, to get by?

ASK ALL // READ OUT // SC

1. Very often
2. Fairly often
3. Hardly ever
4. Never
5. Don't know (DO NOT READ OUT)
6. Refused (DO NOT READ OUT)

Incentives to save

I'd now like to ask you a little bit more about saving.

QE1. Regardless of whether you have savings or not at the moment. How likely, if at all, would the following be to encourage you to start saving, or to save more?

ASK ALL // RANDOMISE // SC FOR EACH STATEMENT

- a) A government-backed savings account that gave you 50p for every pound saved
- b) A higher rate of interest on your savings
- c) Advice on the best savings account to fit your personal situation
- d) An account that always gave you access to your savings whenever you wanted
- e) An account that was easy to understand and manage

- f) An account that also gave you access to other products such as loans
- g) An account provided by a bank or financial institution that you trust
- h) An account where your savings are guaranteed to be safe

- 1. Very likely
- 2. Fairly likely
- 3. Not very likely
- 4. Not at all likely
- 5. Don't know (DO NOT READ OUT)
- 6. Refused (DO NOT READ OUT)

QE3a. Where, or who, would you go to for help or advice on savings, if at all?
ASK ALL // DO NOT READ OUT PROBE FULLY // MC

- 1. Partner/ Spouse
- 2. Other relative or friend
- 3. Colleagues/ co-workers
- 4. Trade Union
- 5. Employer
- 6. Bank or building society
- 7. Independent Financial Advisor
- 8. Accountant
- 9. Insurance company or insurance broker
- 10. Money Advice Service (MAS)
- 11. Financial Conduct Authority (FCA)
- 12. GOV.UK website
- 13. Government in general
- 14. Credit Union
- 15. Money Saving Expert (eg Martin Lewis)
- 16. Other advice service (eg Citizens Advice Bureau)
- 17. Internet
- 18. Newspapers/ other media
- 19. Other (SPECIFY)
- 20. None of these
- 21. Don't know (DO NOT READ OUT)
- 22. Refused (DO NOT READ OUT)

QE3b. And have you sought help or advice from any of the following, within the last 12 months?

ASK IF QE3a = 1-19 // ONLY SHOW CODES SELECTED AT QE3a // PROBE FULLY

1. Partner/ Spouse
2. Other relative or friend
3. Colleagues/ co-workers
4. Trade Union
5. Employer
6. Bank or building society
7. Independent Financial Advisor
8. Accountant
9. Insurance company or insurance broker
10. Money Advice Service (MAS)
11. Financial Conduct Authority (FCA)
12. GOV.UK website
13. Government in general
14. Credit Union
15. Money Saving Expert (eg Martin Lewis)
16. Other advice service (eg Citizens Advice Bureau)
17. Internet
18. Newspapers/ other media
19. Other (SPECIFY)
20. None of these
21. Don't know (DO NOT READ OUT)
22. Refused (DO NOT READ OUT)

QE3c. And of these, who do you trust the most?

ASK IF QE3a = 1-19 AND TWO OR MORE CODES SELECTED // ONLY SHOW CODES SELECTED AT QE3a // PROBE FULLY // MC MAXIMUM OF TWO

1. Partner/ Spouse
2. Other relative or friend
3. Colleagues/ co-workers
4. Trade Union
5. Employer
6. Bank or building society
7. Independent Financial Advisor
8. Accountant
9. Insurance company or insurance broker
10. Money Advice Service (MAS)
11. Financial Conduct Authority (FCA)

12. GOV.UK website
13. Government in general
14. Credit Union
15. Money Saving Expert (eg Martin Lewis)
16. Other advice service (eg Citizens Advice Bureau)
17. Internet
18. Newspapers/ other media
19. Other (SPECIFY)
20. None of these
21. Don't know (DO NOT READ OUT)
22. Refused (DO NOT READ OUT)

QE4 To what extent or not, would the inclusion of government branding, such as a government department logo, increase your trust in a savings product or service?

ASK ALL // READ OUT // SC

1. A great deal
2. A fair amount
3. Not very much
4. Not at all
5. Don't know (DO NOT READ OUT)
6. Refused (DO NOT READ OUT)

QE5 If you were choosing a new saving service or product, such as a bank or savings account, typically what sort of information would be important to you?

ASK ALL // DO NOT READ OUT, PROMPT IF NECESSARY // MC

1. Who the service/ product is for
2. The benefits of the service/ product
3. Promotions and rewards
4. The financial cost of the service/ product
5. Restrictions around using the service/ product
6. Terms and conditions
7. How to apply
8. Other (SPECIFY)
9. Don't know (DO NOT READ OUT)
10. Refused (DO NOT READ OUT)

Digital capabilities and communications channels

I'd now like to ask you some questions around the internet and communication channels.

QF1 Do you have access to the internet for personal use?

INTERVIEWER IF NECESSARY Personal use is anything that is not for business or work.

ASK ALL // MC IF YES

1. Yes – via a home computer
2. Yes – via a work computer
3. Yes – via a mobile phone or tablet
4. Yes – other access
5. No
6. Don't know (DO NOT READ OUT)
7. Refused (DO NOT READ OUT)

QF3 How confident, if at all, do you feel using the internet?

ASK ALL // READ OUT // SC

1. Very confident
2. Fairly confident
3. Not very confident
4. Not at all confident
5. Don't know (DO NOT READ OUT)
6. Refused (DO NOT READ OUT)

QF4 How did you renew or apply for tax credits most recently?

ASK ALL // READ OUT // SC

1. By telephone only
2. By post only
3. Online only
4. A combination of telephone, post or online
5. No change of circumstance, so did not need to do anything (DO NOT READ OUT)
6. Don't know (DO NOT READ OUT)
7. Refused (DO NOT READ OUT)

QF6a How, if at all, do you seek information from HMRC about their services?

ASK ALL// READ OUT // ROTATE ORDER // MC

1. Online (through website)
2. Personal Tax Account
3. Telephone
4. Post
5. Face to face
6. Email
7. Text message
8. Social media
9. Mobile App
10. Other (SPECIFY)
11. None of the above
12. I do not seek information about the services
13. Don't know (DO NOT READ OUT)
14. Refused (DO NOT READ OUT)

QF6b And how would you prefer for HMRC to keep you informed about its products and services in the future?

ASK ALL// READ OUT // ROTATE ORDER // MC

1. Online (through website)
2. Personal Tax Account
3. Telephone
4. Post
5. Face to face
6. Email
7. Text message
8. Social media
9. Mobile App
10. Other (SPECIFY)
11. None of the above
12. Don't know (DO NOT READ OUT)
13. Refused (DO NOT READ OUT)

F7 Where, if at all, do you currently go for information or advice about government benefits?

ADDITIONAL INFO/EXAMPLES IF NEEDED – Such as Tax Credits, Child Benefit, Personal Independence Payments, Council Tax Support etc.

ASK ALL// DO NOT READ OUT// MC

1. Partner/ Spouse
2. Other relative or friend
3. Colleagues/ co-workers
4. Employer
5. Money Advice Service (MAS)
6. GOV.UK website
7. Call HMRC telephone line
8. Money Saving Expert (eg Martin Lewis)
9. Other advice service (eg Citizens Advice Bureau)
10. Internet
11. Newspapers/ other media
12. Other (SPECIFY)
13. None of these
14. Don't know
15. Refused

QF8 From which sources are you most likely to see or hear any advertising, publicity or information about savings products and services?

ASK ALL// READ OUT // ROTATE EXCEPT 8 - 10 // MC

1. Online adverts on social media
2. TV advertising
3. Radio advertising
4. Out of home advertising such as billboards or bus shelters
5. Print media such as magazines, newspapers
6. Letter, adverts, leaflets through the door
7. Family, friends, work colleagues
8. Other (SPECIFY)
9. Don't know (DO NOT READ OUT)
10. Refused (DO NOT READ OUT)

Demographics

These are the final few questions and the interview will be finished.

QG1 What is the highest educational qualification you have?

ASK ALL // SC // DO NOT READ OUT – PROMPT IF NECESSARY

1. GCSEs / O-levels / CSEs
2. Vocational qualifications (=NVQ1+2)
3. A-Levels or equivalent (=NVQ3)
4. Bachelor Degree or equivalent (=NVQ4-6)
5. Masters / PhD or equivalent (=NVQ7+8)
6. Other
7. Or do you have no formal qualifications?
8. Don't know (DO NOT READ OUT)
9. Refused (DO NOT READ OUT)

QG2 How would you describe your ethnic background?

ASK ALL // SC // DO NOT READ OUT

1. White British
2. White Irish
3. White other background
4. Mixed white and black Caribbean
5. Mixed White and black African
6. Mixed White and Asian
7. Mixed other mixed background
8. Black or black British Caribbean
9. Black or black British African
10. Black or black British other background
11. Asian or Asian British Indian
12. Asian or Asian British Pakistani
13. Asian or Asian British Bangladeshi
14. Asian or Asian British other background
15. Chinese
16. Other ethnic background (write in - specify)
17. Don't know (DO NOT READ OUT)
18. Refused (DO NOT READ OUT)

QG3 Do you have any physical or mental health conditions or illnesses lasting or expecting to last for 12 months or more?

ASK ALL // SC

1. Yes
2. No
3. Don't know (DO NOT READ OUT)
4. Refused (DO NOT READ OUT)

QG4 Does your condition or illness reduce your ability to carry out day to day activities? Would you say...

ASK IF CODE 1 AT QG3 // SC

1. It does - a lot
2. It does - a little
3. No not at all
4. Don't know (DO NOT READ OUT)
5. Refused (DO NOT READ OUT)

Re-contact

QH1 That brings me to the end of this interview. Thank you for participating in this survey. We will be conducting further research on this same subject for HM Revenue and Customs (HMRC) in the next 12 months. Would you be happy to be re-contacted?

This does not commit you to taking part in the research and you would still be able to decline to participate if you are contacted.

ASK ALL// SC

1. Yes
2. No

QH2 And could I just check, is [NUMBER] the best number to call you on?

ASK IF CODE 1 at QH1 // SC

1. Yes
2. No

IF CODE 2 RECORD NUMBER TO CALL.

QH3 In case we can't reach you by phone, could I also take your email address if you have one?

ASK IF CODE 1 at QH1 // SC

1. Record email address
2. Does not have email address
3. Don't know (DO NOT READ OUT)
4. Refused (DO NOT READ OUT)

THANK AND CLOSE

8.2 Qualitative research material

8.2.1 Discussion Guide

The same discussion guide was used for both customers claiming Universal Credit and Working Tax Credit (WTC). Below the discussion guide used with Universal Credit customers can be found. For Working Tax Credit customers references are made to the benefit claimed by participants, this was substituted with the right terminology.

Research on supporting Help to Save Communications **Discussion Guide – Universal Credit customers**

Research background and objectives:

Her Majesty's Revenue and Customs (HMRC) has commissioned Ipsos MORI to conduct research with people who will be eligible for a Help to Save account. The Help to Save scheme is part of the government's commitment to support people on lower incomes build up their savings. The account will be launched in April 2018. The research comprises telephone survey with WTC customers and qualitative interviews and groups with WTC and UC customers. This element of the research is with UC customers and aims to explore current savings behaviours, motivations and barriers, preferred communications methods and messaging to help identify those who are able, and likely to take up Help to Save.

The key research objectives for qualitative work:

- Understanding the ability to save and existing saving behaviours.
- Identifying barriers and motivations to saving, including barriers specific to the Help to Save service.
- Understanding the digital capabilities of customers to use online means of registration, and how these can affect take up of Help to Save.
- Develop recommendations for the design of the communications strategy.
- Develop recommendations for supporting customers who take up Help to Save.

PRIORITY SECTIONS TO COVER IN GUIDE:

- Savings behaviours.
- Views on Help to Save and usability.
- Communication channels and preferences.

1. Introduction	5 mins
<p>Thank participant for taking part. Introduce self, Ipsos MORI – independent research organisation; gather all opinions; all opinions valid. Interviews should take around 60 minutes.</p> <p>Introduce research and topic – Her Majesty’s Revenue and Customs (HMRC) has commissioned Ipsos MORI to conduct research with people who will be eligible for a Help to Save account. The Help to Save scheme is part of the government’s commitment to support people on lower incomes build up their savings. This research will help HMRC to understand more about eligible people’s saving habits and ensure that the scheme will support people on lower incomes to save.</p> <p>Role of Ipsos MORI – independent research organisation (i.e. independent of GOVERNMENT), we adhere to MRS code of conduct, we gather a range of opinions from a range of people: all opinions valid.</p> <p>Confidentiality - reassure all responses anonymous and that identifiable information about them will not be passed on to anyone, including back to HMRC or any other Government department.</p> <p>Ask for permission to digitally record – transcribe for quotes, no detailed attribution. Only non-identifiable information will be passed back to HMRC.</p> <p>Any questions before we begin?</p>	<p><i>Orientates interviewee, prepares them to take part in the interview.</i></p> <p><i>Outlines the ‘rules’ of the interview (including those we are required to tell them about under MRS and Data Protection Act guidelines).</i></p>
2. Background and context	5 mins
<p><i>To start off, I’m going to ask a few questions about you and your household.</i></p> <ul style="list-style-type: none"> • Can you just tell me a bit about yourself? <ul style="list-style-type: none"> ○ Where do you live? ○ How long have you lived there for? ○ Does anyone live in the household with you? ○ Are there any children? How old are they? • What do you do day-to-day? <ul style="list-style-type: none"> ○ Work? Full-time? Part-time? Caring responsibilities? ○ What kind of work do you do? ○ Is your partner currently working? Full-time? Part-time? Caring for children? ○ What kind of work do they do? 	<p><i>Provides contextual background information about the participant and their household.</i></p>

<p>Are you currently claiming Universal Credit?</p> <ul style="list-style-type: none"> ○ How long have you been claiming for? ○ Is it a joint or single claim? ○ Do you know if you are getting any help with housing costs or childcare through your claim? <p>Do you claim any other welfare benefits at all?</p> <ul style="list-style-type: none"> ○ Council Tax Support? ○ Child Benefit? ○ Free entitlement of 15 hours' (may have increased to 30 recently) childcare for 3-4 year olds? ○ Free entitlement of 15 hours' (may have increased to 30 recently) childcare for 2 year olds? ○ Personal Independence Payment (PIP)? 	
<p>3. Current financial situation</p>	<p>7 mins</p>
<p><i>Now we are going to move on and talk a little bit about your current financial situation.</i></p> <p>Can you briefly talk me through how money is managed in the household?</p> <ul style="list-style-type: none"> ○ Managed weekly? Monthly? How do you find this approach? ○ Who in the household takes responsibility for making sure things get paid? ○ How did this arrangement come about? ○ Who makes the big 'financial' decisions? ○ Has it always been this way or has it changed? ○ When did it change? Was there a reason that it changed? <p>Could you briefly run me through the money you have coming in and out of the household each month?</p> <ul style="list-style-type: none"> ○ How regularly does money come into the household? ○ How stable is your income? Similar amount each week/month or does it change? ○ Where does this money come from? PROBE FOR WAGES SELF EMPLOYED INCOME, SAVINGS, CREDIT, LOANS, AND REFER BACK TO BENEFITS PREVIOUSLY MENTIONED. ○ Are your outgoings always the same or do they ever change? ○ Anyway of recording incomings and outgoings? <p>Do you pay for things on credit? For example, on credit cards, store cards, payday loans, other loans or an overdraft? Why/ why not?</p>	<p><i>Outlines their current financial situation and how they manage their money.</i></p>

<ul style="list-style-type: none"> ○ How do you manage this? ○ Do you make your payments each month? How much of it do you pay? All of it? The minimum payment? ○ Have you ever exceeded your overdraft limit? If yes – how often does that happen? In what circumstances? What happens as a result? ○ Have you ever withdrawn money from a cashpoint with your credit card? Why/ why not? What was it for if so? <p>If you received some extra money you weren't expecting – say you won £200 - What do you think you would do with this?</p> <ul style="list-style-type: none"> ○ Would you spend it? What would you spend it on? Why? ○ Would you save any of it or pay off any debt with it? Why/ why not? ○ 	
<p>4. Savings behaviours</p>	<p>7 mins</p>
<p><i>Now we are going to move on and talk about saving.</i></p> <p>Do you have any savings put aside?</p> <ul style="list-style-type: none"> ○ How are you putting this money aside? ○ In an account – savings? ISA? ○ Somewhere in your home? ○ Giving it to a family member or friend? ○ Christmas club? ○ Credit union? ○ Other financial products/investments? ○ Why did you choose to save in this way? <p>HAVE SAVINGS ACCOUNT - How did you decide which savings account to take out?</p> <ul style="list-style-type: none"> ○ Did you speak to anyone or seek any advice? ○ Who or where did you go to for information or advice? ○ Friends and Family? Your bank? Online? Comparison website? Anywhere else? <p>What is this money for?</p> <ul style="list-style-type: none"> ○ Are you saving for anything in particular? ○ When did you last dip into it? Why was this? ○ PROBE FULLY ON REASONS FOR SAVING <p>How often do you contribute to this pot? How much do you tend to put into it?</p> <ul style="list-style-type: none"> ○ What helps you to contribute to your savings? ○ And what prevents you from contributing to your savings? 	<p><i>This section explores current approaches to saving and barriers to saving.</i></p>

Has this always been your approach to saving?

- Why/why not?
- When did this change and why did it change?

Would you like to save more?

- Why/why not?
- What might help you to do this?

For what other reasons, if any, have you put savings aside in the past?

- Anything else?

How does saving make you feel?

- Does it always make you feel this way?
- When/Why does this change?

What would you say the benefits to saving are?

- Any others?

And what about the drawbacks?

- What are they?

How do you feel about your current approach to saving?

- How, if at all, would you like to change this?
- Save more regularly?
- Save in a different way?
- Put the money into a savings account?

What would say are the main reasons that you are not saving or not saving as much as you would like?

- Can't afford to save more or at all?
- Prioritising debts?
- Never been a saver?
- Not a priority at the moment?
- Have too many outgoings?
- Saving isn't important to me at the moment?
- Any other reasons (PROBE FULLY ON ALL REASONS THAT THEY FIND IT DIFFICULT TO SAVE)

Do you ever discuss saving with family and friends?

- What do you talk about?
- What, if any, approach to saving do they suggest?
- How would you describe their approaches to saving?

What, if anything, would encourage you to save money on a regular basis, apart from having a higher income?

<p>What features of a savings product might encourage you to save or save more?</p> <ul style="list-style-type: none"> ○ Easy or simple to use or take out? ○ Possibility to withdraw money at any time with no penalties? ○ High interest rate on an account? ○ Tax free interest? ○ Bonus for saving certain amounts of money? 	
<p>5. Views on Help to Save and usability</p>	<p>14 mins</p>
<p><i>Now I'd like to provide some information on the Help to Save scheme and see what you think.</i></p> <p>MODERATOR TO PASS APPENDIX A TO PARTICIPANT AND READ OUT EXPLANATION:</p> <p>The government have created a scheme called Help to Save, to help support people on lower incomes to build up their savings.</p> <p>Help to Save accounts will be available from April 2018. The account will allow eligible individuals to save up to a maximum of £50 per month, for up to 4 years.</p> <p>Customers will be able to go into their account and use a debit card to pay in, or alternatively make standing orders or one off payments to their Help to Save account, direct from other bank accounts.</p> <p>After two years of saving the government will also add a 50% bonus to any amount saved up to the £50 a month limit. A customer saving the maximum of £1200 in the first two years will receive a bonus of £600 at the end of that period.</p> <p>Individuals are able to continue saving for a further two years to earn an additional bonus. This means that customers will be able to save up to £2,400 over four years in a Help to Save account, with a maximum government bonus of £1,200.</p> <p>Customers can make withdrawals at any time without charge but this could affect the size of the bonus they receive.</p> <p>To be eligible for Help to Save, you must be claiming either Working Tax Credit (WTC), or Universal Credit (UC) and earning at least the equivalent of 16 hours a week at the National Living Wage - currently £120 a week(NLW).</p> <p>Interviewer – check for understanding and clarify any points of confusion before continuing.</p>	<p><i>Explore what participants think of the idea of help to save and if they think it sounds like something for them.</i></p>

[FOR INFORMATION IF NEEDED: there is no specified maximum earning limit for eligibility. Eligibility for Help to Save is linked to your eligibility for UC when you apply for UC.]

Have you heard of this scheme before? If yes:

- Can you remember where you heard about it?

What do you think of the scheme?

- What is immediately jumping out?
- Are any words or phrases jumping out in particular?
- Do you think there is anything unique about the idea? What would you say this is?
- Anything else?

What would you say the main benefits of the scheme might be?

- Anything else?

And what about any drawbacks?

- Anything else?

Would something like this be of interest to you?

- Why/Why not?
- If you had a Help to Save account, do you think it would help you to save? Why/Why not?
- If you had one, what would you do differently to what you do now? Not interested – what could change to make it of interest to you? Do you think this could be of interest to other people? Who?

How would you decided whether to open a Help to Save account?

Would you discuss opening this account with anyone?

- Who would you discuss this with?
- Where else might you go for information or advice?
- Online? GOV.UK? CAB? Money Saving Expert? Anyone else?
- Who would encourage you take up the scheme e.g. friends, job centres (if recently become employed)?

What, if any, questions do you have about the Help to Save scheme at this stage?

If you did open a Help to Save account, how would you use it?

- Put any money you already have saved into the account?
- Keep saving same amount but use this account instead of another one?
- Increase the amount you are saving?
- Start putting money aside regularly?

<p>How regularly do you think you might put money into the account?</p> <ul style="list-style-type: none"> ○ Weekly? Fortnightly? Monthly? ○ Why would you put money into the account in that way? ○ When in the month/year would you put money into the account? ○ Are there any times when you would be more or less likely to save than others? <p>How much do you think you would be able put into the account weekly/fortnightly/monthly?</p> <ul style="list-style-type: none"> ○ Any how would you pay this money into the account? Standing order? Direct debit? One off transfers? <p>Where do you think this money would come from?</p> <ul style="list-style-type: none"> ○ Would you need to cut back on something else to save this money? ○ What would you need to cut back? ○ Would you stop saving in another way? Cut back on your pension? ○ What impact do you think this might have on your finances? Increase credit or loan usage? ○ What impact might this have on your household? Cutting back on essential spending or bills? <p>How do you feel about Help to Save being a government backed scheme?</p> <ul style="list-style-type: none"> ○ Would it affect how much you trust the scheme? ○ Are you more or less likely to trust it if it is supported by government rather than another financial service, such as a bank or building society? <p>How would you feel if you saw a government department logo included in the advertisement of the scheme?</p> <ul style="list-style-type: none"> ○ What makes you say that? ○ Would that make you more or less likely to trust the scheme? 	
<p>6. Digital capability</p>	<p>7 mins</p>
<p><i>Now we are going to move on and talk about the registration process for Help to Save and how the account would be managed.</i></p> <p>How do you feel about applying for or managing things online, such as bank accounts, mobile phone contracts or financial products or services such as credit cards or store cards?</p>	<p><i>Explore digital capability and how they would feel about registering and managing account online.</i></p>

<ul style="list-style-type: none"> ○ Confident? Not Confident? What makes you say that? ○ Any concerns at all? What are these? <p>Is there anything in particular, that you do not like to apply for or manage online?</p> <ul style="list-style-type: none"> ○ Benefit claims? Driving licenses? Passports? ○ Banking – applying for new financial products? Bank accounts? Credit cards? ○ What makes you say that? ○ What are your concerns? <p>How did you apply for Universal Credit? Did you apply for this online?</p> <ul style="list-style-type: none"> ○ How did you find the online application for Universal Credit? ○ How could this process have been made easier? <p>Are you currently managing your Universal Credit claim online?</p> <ul style="list-style-type: none"> ○ How are you finding managing this online? <p>How would you feel about registering for a Help to Save account online?</p> <ul style="list-style-type: none"> ○ What do you think the benefits would be in being able to register online? ○ Would there be any drawbacks? What would these be? ○ What would need to happen for you to be comfortable doing this? ○ What would you do if you couldn't apply on line? Not apply? Try to apply by post or over the phone? Ask someone else to help with online application? <p>What would the Help to Save registration need to be like for you to be happy registering online?</p> <ul style="list-style-type: none"> ○ What would the process need to entail? ○ How long would it need to be? <p>The Help to Save account would be opened and managed via GOV.UK. How would you feel about this?</p> <ul style="list-style-type: none"> ○ Do you have any questions about this? ○ Do you currently access any benefits via GOV.UK? If so what are they? 	
<p>7. Communications channels and preferences</p>	<p>12 mins</p>
<p><i>We are now going to talk about what information you would want to know about the scheme and how you would like to hear about it.</i></p>	<p><i>Explore communication message, channels and what information</i></p>

In your own words, what is the purpose of the Help to Save scheme?

- What is it for?
- Who is it for?
- How could it help someone to save?

If you had to describe it to a friend, what would you say?

- What are the key features that you would mention?
- Why would you mention those features?

What would be the best way to ensure that people like you are made aware of the Help to Save scheme?

- TV advertising?
- Newspapers?
- Radio?
- Online?
- GOV.UK?
- Through UC account?
- Email?
- Letters?
- Any other ways?
- What makes you say that?

Can you recall any recent Government advertisement campaigns which stood out to you?

- What can you remember about it? Did you like it?
- What made it stand out?
- Do you think that could work for this scheme?
- How might that work?
- Can you think of any campaigns that you didn't like? What didn't you like about it?
- Did you do anything after seeing it? What did you do?

Can you recall any recent advertisements around financial products and services which stood out to you?

- What can you remember about it? Did you like it?
- What made it stand out?
- Do you think that could work for this scheme?
- How might that work?
- Can you think of any campaigns that you didn't like? What didn't you like about it?
- Did you do anything after seeing it? What did you do?

What should HMRC keep in mind when communicating the scheme to someone like you?

- **PROMPTS IF NEEDED** – What do HMRC need to keep in mind when communicating how the scheme works? What about when thinking about how to apply and manage the account?

customers would need about the scheme.

- What makes you say that?
- Anything else?

What would you need to know about the scheme to decide if it was right for you?

- Why would this be important to know?
- How would you go about finding this information if it wasn't provided?
- Where would you go for information? GOV.UK? HMRC helpline? General search engine? Friend, relative, or trusted 3rd party?

What are the main questions you have about the scheme now?

- Anything else?

Where, if at all, do you normally go for information or advice on your finances?

- Family? Friends?
- CAB?
- Online?
- Your bank or building society?

How often do you tend to seek advice or guidance on your finances?

- Regularly? Only when you have a particular financial decision to discuss?

And how should HMRC provide further information to you about the scheme?

- GOV.UK?
- Letters?
- Leaflet
- Email?
- Online?
- Telephone?
- Through UC account?
- Through the Help to Save Account once open?
- Any other ways?

And when would it be most helpful for HMRC to provide this information?

- A particular time of year, or amount of time before the scheme starts, when checking accounts?
- How regularly should this information be provided?

8. Summing up	5 mins
<p><i>We are coming to the end of the interview, but I have a few final questions before we finish.</i></p> <p>Thinking about everything we've discussed, what do you think is the key thing that HMRC need to bear in mind when trying to encourage people to use the Help to Save scheme?</p> <p>Is there anything else you would like to say about the scheme, that you haven't already had the opportunity to mention, before we finish?</p> <p>Thank and reiterate confidentiality. Provide £25 "thank you" for their time and request for them to sign receipt of the "thank you" for our records. Explain next steps for the research and close.</p>	<p><i>Brings the conversation to a close, and allows participant time to mention anything that has not already been covered.</i></p>

Appendix A – Help to Save explanation

The government have created a scheme called Help to Save, to help support people on lower incomes to build up their savings. Help to Save accounts will be available from April 2018. The account will allow eligible individuals to save up to a maximum of £50 per month, for up to 4 years.

Customers will be able to go into their account and use a debit card to pay in, or alternatively make standing orders or one off payments to their Help to Save account, direct from other bank accounts.

After two years of saving the government will also add a 50% bonus to any amount saved up to the £50 a month limit. A customer saving the maximum of £1200 in the first two years will receive a bonus of £600 at the end of that period.

Individuals are able to continue saving for a further two years to earn an additional bonus. This means that customers will be able to save up to £2,400 over four years in a Help to Save account, with a maximum government bonus of £1,200.

Customers can make withdrawals at any time without charge but this could affect the size of the bonus they receive.

To be eligible for Help to Save, you must be claiming either Working Tax Credit (WTC), or Universal Credit (UC) and earning at least the equivalent of 16 hours a week at the National Living Wage - currently £120 a week(NLW).

8.2.2 Group discussion guide

Research background and objectives:

Her Majesty's Revenue and Customs (HMRC) has commissioned Ipsos MORI to conduct research with people who will be eligible for a Help to Save account. The Help to Save scheme is part of the government's commitment to support people on lower incomes build up their savings. Accounts will begin to be available to eligible customers from April 2018. The research comprises a telephone survey with Working Tax Credit customers, as well as qualitative interviews and groups with both WTC and Universal Credit customers. The aim of this research is to explore current savings behaviours, motivations and barriers, preferred communications methods and messaging to help identify those who are able, and likely to take up Help to Save.

The key research objectives for the discussion groups:

- Understanding the ability to save and existing saving behaviours.
- Identifying barriers and motivations to saving, including barriers specific to the Help to Save service.
- Develop recommendations for the design of the communications strategy.
- Develop recommendations for supporting customers who take up Help to Save.

PRIORITY SECTION TO COVER IN GUIDE:

- Communication channels and preferences.
- Supporting customers who take up Help to Save.

1. Introduction	2-3 mins
<ul style="list-style-type: none"> • Thank participants for taking part • Introduce self, Ipsos MORI • Role of Ipsos MORI – independent research organisation (i.e. independent of GOVERNMENT), we adhere to MRS code of conduct. No right or wrong answers • Explain the research – Her Majesty’s Revenue and Customs (HMRC) has commissioned Ipsos MORI to conduct research with people who will be eligible for a Help to Save account. The Help to Save scheme is part of the government’s commitment to support people on lower incomes build up their savings. This research will help HMRC to understand more about eligible people’s saving habits and ensure that the scheme will support people on lower incomes to save. • Explain to participants that they have been invited to take part as we believe they may be eligible for a Help to Save account. We do not hold any other information on them (other than what they have told us). Any current or future dealings with HMRC will not be affected in any way • Confidentiality - reassure participants that all responses will be kept anonymous and information about individuals will not be passed on to anyone • Set ground rules - please respect each other’s opinions – we are not seeking a consensus. Please do not talk over each other as it affects the quality of the recording and we have a lot to get through so we may need to move you along at various points • Observers [if relevant] – Explain that HMRC observers will be watching the group. They are here to understand what you think about the new scheme and will not be taking notes or reporting back on you specifically. They have signed a confidentiality agreement on this. • Get permission to digitally record • Length - 90 minutes • Any questions before we begin? 	<p><i>Orientates participants, prepares them to take part in the interview.</i></p> <p><i>Outlines the ‘rules’ of the interview (including those we are required to tell them about under MRS and Data Protection Act guidelines).</i></p>
2. Warm up	5 mins
<p>Ice breaker: ask participants to introduce themselves to the person to their left, including: your name, where you live and if you won £300, what you would do with the money.</p>	<p><i>This section aims to warm up the participants and gain some general information</i></p>

<p>3. Savings behaviour</p>	<p>10 mins</p>
<p><i>Moderator: Now we are going to talk a little bit about savings. We won't be discussing exact amounts or personal information. It's absolutely fine if there is anything that you are not comfortable sharing.</i></p> <p>Explore whether the group has savings put aside and explain that this could be in a bank account, in your home, Credit Union, etc.</p> <p>Group 1 – 6.15pm – currently saving from time-to-time or regularly: Explore why they save:</p> <ul style="list-style-type: none"> • What kinds of things are you saving for? • How often do you put money aside? • How long have you been saving for? • What would say the benefits of saving are? • How does saving make you feel? • What, if anything, prompted you to save? <p>Group 2 – 8.00pm - never saved: Explore why they are not saving:</p> <ul style="list-style-type: none"> • • What are the main reasons that you're not saving? • Would you like to save? • What could encourage you to save, apart from earning more money? 	<p><i>Outlines their saving behaviour and incentives/barriers to saving.</i></p>
<p>4. Views on Help to Save and usability</p>	<p>30 mins</p>
<p><i>Now I'd like to provide some information on the Help to Save scheme and see what you think.</i></p> <p>MODERATOR TO PASS STIMULUS A TO PARTICIPANTS AND READ OUT EXPLANATION:</p> <p>The government have created a scheme called Help to Save, to support people on Working Tax Credit and Universal Credit build up their savings.</p> <p>Help to Save accounts will begin to be available to eligible customers from April 2018. The account will allow eligible individuals to save up to a maximum of £50 per month, for up to 4 years.</p> <p>After two years of saving the government will also add a 50% bonus to any amount saved up to the £50 a month limit. A customer saving the maximum of £1200 in the first two years will receive a bonus of £600 at the end of that period.</p>	<p><i>Explore what participants think of the idea of help to save and if they think it sounds like something for them.</i></p>

Individuals are able to continue saving for a further two years to earn an additional bonus. This means that customers will be able to save up to £2,400 over four years in a Help to Save account, with a maximum government bonus of £1,200.

Customers will be able to go into their account and use a debit card to pay in, or alternatively make standing orders or one off payments to their Help to Save account, direct from other bank accounts.

Customers can make withdrawals at any time without charge but this could affect the size of the bonus they receive.

To be eligible for Help to Save, you must be claiming either Working Tax Credit (WTC), or Universal Credit (UC) and earning at least the equivalent of 16 hours a week at the National Living Wage - currently £120 a week(NLW) or £520 a month.

The scheme will be open to new applicants for five years, starting from the date the scheme officially launches. Once customers open an account, they can save for four years.

Moderator – check for understanding and clarify any points of confusion before continuing.

Explore understanding

- What do you think of the scheme?
- What stands out?
- What questions do you have about the scheme? RECORD THESE ON FLIPCHART
- From the information I've given you so far, what do you think the benefits of the scheme could be?
- What do you think of the maximum amount (£50) that can be saved each month? Is it enough? Too little? Too much? A lot more than what you could save?
- Can you think of any drawbacks? Less money to pay off debts? Bonus not a big enough incentive? Account can only be used for 4 years?
- How interested are you in setting up a Help to Save account?

Based on the explanation provided, how would you expect the bonus to work? PASS AROUND STIMULUS B

There are two bonuses that you can receive, each based paid on the highest point the balance reached in two years. The first bonus will pay 50% of be on the highest balance after the first 2-year period.

The second bonus will pay 50% of be on the difference between the highest balance after 4 years and the highest balance after the first 2

years. This means that you must reach a higher balance in the second period than you did in the first to get an additional bonus.

Moderator to provide STIMULUS C example scenarios to explain the bonus.

Example 1: Steve saves £1200 in year 1-2, without withdrawing any money. He earns a bonus on this of £600. He then continues to save a further £1200 in year 3-4, without withdrawing any money, bringing his total highest balance to £2400. His savings eligible for a bonus at 48 months is therefore based on the difference between the highest balance in the two bonus periods (£2400-£1200), on which he receives a 50% bonus, i.e. =£600. Altogether, after 4 years, he therefore receives a total bonus of £1200.

*Example 2: Sarah saves £1200 in year 1-2, and withdraws £200 in the same period, bringing her 24-month final balance to £1000. She earns a bonus of £600 on her highest balance in this period (£1200*50%). She continues to save a further £1200 in year 3-4, with no further withdrawals, bringing her highest balance at 48 months to £2200 (£1000+£1200). Her bonus at 48 months is therefore 50% of £1000 (£2200-£1200) *50%=£500.*

Understanding the bonus

Moderator – check for understanding and clarify any points of confusion before continuing, and collect any initial questions participants have.

- Do you understand how withdrawals impact the bonus? Do these examples provide clear explanation of how withdrawals affect the bonus received?
- What benefits do you see with the bonus?
- And what are the drawbacks?
- Does understanding of bonus change what you think about the scheme? Is it more/less appealing now?

Explaining the bonus

- In their own words, how would they describe the bonus to others?
- How would they like the bonus explained to themselves? Written out as example? Visuals? Any other suggestions?
- Any other ways that they want the impact of withdrawals explained?

Moderator to show group the HM Government logo STIMULUS D

- Do you recognise the logo?

<p><i>Now show beside HMRC logo STIMULUS E</i></p> <ul style="list-style-type: none"> • Which would you pay more attention to? Why? • Which makes more sense for the scheme? Why? <p>Explore attitude towards the scheme being government backed</p> <ul style="list-style-type: none"> • How do you feel about Help to Save being a government-backed scheme? • Would it affect how much you trust the scheme? • How would you feel if you saw an HMRC logo on branding to do with the scheme? Would it be different if it was from 'the government' in general? <p>Now that you've heard about Help to Save scheme and its key features, would you be interested in opening an account?</p> <ul style="list-style-type: none"> • Why/why not? 	
<p>5. Communications channels and preferences</p>	<p>40 mins</p>
<p><i>Moderator explain: Would like to explore what type of information they would want to know about the scheme and how they would like to hear about it.</i></p> <p>Prior to signing up to Help to Save scheme Exercise 1:</p> <p><i>Ask participants to pair up/get into threes for the first exercise. Hand out STIMULUS F (message cards) to each group and ask them to choose their Top/Bottom 3 statements based on which appeal most/least to them. Then ask them:</i></p> <ul style="list-style-type: none"> • Which 3 messages would you choose as your Top 3? Which appeal the most to you? Why? • How well do these explain the scheme? • What makes them get your attention? • What do they tell you about the scheme? Are these relevant to you? Is it talking to you personally? • Which 3 messages do you not like? Why? • • What do you think of the tone of the messages? • What message is important to get across? What isn't? <p><i>Thinking about 3 messages they like:</i></p> <ul style="list-style-type: none"> • What would they do as a result of these messages? • Would any of the messages encourage you to look for more information on the Help to Save account? Which and why? 	<p><i>Explore communication message, channels and what information customers would need about the scheme before and after signing up to the scheme.</i></p>

Do you think any of these messages would encourage you to start saving or save more? Which and why?

Exercise 2:

Ask participants to get into their groups again and based on discussions so far, come up with their own strapline to explain H2S

- How did you come up with this strapline?
- What did you consider to be important when thinking about how to communicate the H2S scheme?

What would be the best way to make people aware of the Help to Save scheme? Why?

- TV advertising? Which channels?
- Newspapers? Which papers?
- Radio? Which channels?
- Online? Which websites?
- Letters?
- Social Media?
- Jobcentre?
- Citizens Advice?
- Money Advice Service?

If the government decided to run ad campaigns, what do you think these ads will have to include to get people's attention?

- What would make these ads stand out? Get people to notice them? Take interest in the scheme?

What do you think about using social media, e.g. Facebook or Twitter, to make people aware of the scheme?

- Would that be a good way to get people's attention?
- Would they personally trust messages they received this way?
- If they contained a link to Help to Save web page, would they follow it?

And what do you think about using some like the Money Advice Service or Martin Lewis, to make people aware of the scheme?

- Would that be a good way to get people's attention?
- Would they personally trust messages they received this way?
- If they contained a link to Help to Save web page, would they follow it?

How could HMRC make people aware of the scheme using these social media sites?

What information would they want from HMRC regarding the scheme?

- What questions do you have and what do you want HMRC to answer? How much information would be enough?
- What do HMRC need to keep in mind when communicating how the scheme works? What about when thinking about how to apply and manage the account? Why would this be important to know?
- Would you look for more information? Where would you go? Online? Call HMRC?

Once signed up to the Help to Save scheme

Exercise 3:

Ask participants to pair up/get into threes and show them STIMULUS G – the welcome pack. Then as a group, let them share their thoughts on the following:

- What do you think about the welcome packs?
- How does it make you feel?
- How clear is the information?
- Anything in the welcome pack that particularly grabs your attention?
- How clearly does it explain the Help to Save scheme? The bonus? The consequences of making withdrawals? Would you find useful to have examples like those shown earlier?
- Do you feel the guidance is useful?
- Does the content in the cover letter help you understand how the scheme works? Is this a sufficient explanation of the scheme?
- Is there information that you expected at this point, which is missing? If yes, what further information would you want?
- Why would this be important to know?
- How would you like to receive this information? (Letter, email)
- How would you go about finding this information if it wasn't provided?
- Where would you go for information? GOV.UK? HMRC helpline? General search engine? Friend, relative, or trusted 3rd party?

Explore views on reminders/ prompts once account has been opened

- How can HMRC encourage people to keep saving into their account, especially after they've made a withdrawal?
- How would you feel about receiving reminders/encouragement from HMRC regarding their account?

<p>Exercise 4: Ask participants to pair up/get into threes and discuss STIMULUS H ('nudge' messages). Then ask them to choose their Top/Bottom 3 statements which would be most/least likely to keep them motivated to save and share with the group.</p> <ul style="list-style-type: none"> • Why did you choose those messages as your top 3 What do like about them? • And why are those in your bottom 3? What do you dislike about them? • • What would you do as a result of receiving these messages? • How regularly, if at all, would you want these reminders? • When would you want these reminders? • And how would you like to receive the reminders? <ul style="list-style-type: none"> • Text message? • Email? • Through your account? 	
<p>6. Summing up</p>	<p>2-3 mins</p>
<p><i>Moderator explains: Coming to the end of the group, but I have a few final questions before we finish.</i></p> <ul style="list-style-type: none"> • Thinking about everything that's been discussed, which messages were the most impactful/memorable? Which told them the most about the scheme and the bonus? • How do they feel about the Help to Save scheme now that they have received some information on it? • What key aspects should HMRC focus on when communicating the scheme to people? <p style="text-align: center;">Thank participants and close</p>	<p><i>Brings the conversation to a close, and allows participants time to mention anything that has not already been covered.</i></p>

8.2.3 Group stimuli C, D and E – Bonus explanation and logo

Stimuli presented in the main content have not been included in this Appendix.

C Bonus Examples

Example 1:

Steve saves £1200 in year 1-2, without withdrawing any money. He earns a bonus on this of £600. He then continues to save a further £1200 in year 3-4, without withdrawing any money, bringing his total highest balance to £2400. His savings eligible for a bonus at 48 months is therefore based on the difference between the highest balance in the two bonus periods (£2400-£1200), on which he receives a 50% bonus, i.e. =£600. Altogether, after 4 years, he receives a total bonus of £1200.

Example 2: Sarah saves £1200 in year 1-2, and withdraws £200 in the same period, bringing her 24-month final balance to £1000. She earns a bonus of £600 on her highest balance in this period (£1200*50%). She continues to save a further £1200 in year 3-4, with no further withdrawals, bringing her highest balance at 48 months to £2200 (£1000+£1200). Her bonus at 48 months is therefore 50% of £1000 (£2200-£1200)*50%=£500.

D



E



HM Revenue
& Customs

 Ipsos MORI
Social Research Institute

Document Name Here | Month 2016 | Version 1 | Public | Internal Use Only | Confidential | Strictly Confidential (DELETE CLASSIFICATION)

6

8.2.4 Stimulus G – Draft Welcome letter



HM Government

Help to Save

Eric Peach
1 Any Street
Any Town
Anywhere
XX1 1XX

19 May 2017

National Insurance number: AA101016A

Dear Eric,

Welcome to Help to Save

Your account number is: [HTS ACCOUNT_NUMBER]

Your account is now open and ready for you to start saving.

By saving from £1 up to £50 every month over the next four years in your Help to Save account, you'll quickly find that your savings add up. A bonus will be available after two years, and if you continue saving you could be entitled to another bonus after four years. This could increase the value of your savings by up to 50%.

You can manage all your Help to Save transactions, including checking your balance and paying in savings, in your online account which you can access at account.help-to-save.tax.service.gov.uk

For further information on your account please read the guidance notes attached in this message.

Yours sincerely
The Help to Save team

Important notes for you to read and keep

Guidance for Help to Save

1. Saving in your Help to Save account

Your account is now open. You will be able to save into your Help to Save account for four years from today. By saving in this account you will, at the end of two years, receive a government bonus of 50% on the highest balance of your savings during this period.

If you continue saving, at the end of four years you will receive a further bonus of 50% on any new savings you have made over and above the highest balance you achieved after two years.

You won't be paid interest on your savings, however the value of the bonuses will be far higher than any interest payment that you could receive in another savings account.

You will be able to access your savings at any time, however withdrawals from your account could affect the size of your bonus.

In your account you will be able to check the current level of bonus that you are entitled to and the date it will be paid.

Bonuses will be paid early in the result of death or terminal illness. If you are diagnosed as terminally ill by your doctor you should advise us by phoning 0300 xxx xxxx. Following notification the bonus you are entitled to will be paid to your nominated bank account.

Bonus payments and any withdrawals you make will be paid into your nominated bank account. Savings in your Help to Save account and any bonuses paid to you will not be subject to income tax.

2. How to pay in

You can start saving straightaway by paying into your Help to Save account, from £1 up to £50 per month. Within these limits, how much you pay and when, is up to you.

You can set up a standing order to make regular payments into your Help to Save account so that you automatically add a little bit each month to your savings. That way you won't have to remember to make the payment. You can set up standing order or make money transfers online or at your bank branch, using these details;

- HTS sort code [HTSSORT CODE]
- HTS account number [HTS ACCOUNT_NUMBER] and
- Your payment reference

You can also make one-off payments by debit card when you are in your online account. Payments into your account will normally take 24 hours to show.

You do not need to make regular payments into your account to keep it open. We will not close the account unless you ask us to do so. But once closed you will not be able to open another Help to Save account.

3. Withdrawals

You will be able to access the savings in your account at any time, but making regular withdrawals will limit your ability to build up savings in your account and could therefore reduce the size of the bonuses you receive after two and four years.

Withdrawals in the first two years will reduce the size of the bonus paid at the end of four years, as this bonus is calculated on any new savings you have made over and above the highest balance you achieved after two years. You'll be able to make withdrawals via your online account. Withdrawals will take up to 3 working days to reach your nominated bank account.

4. Eligibility and leaving the UK

If you leave the UK you will not be eligible to pay into your Help to Save account over this period. You must tell us by phoning the helpline on 0300 322 7093 if you leave the UK unless it is for:

- less than 8 weeks for tax credits applicants or 4 weeks for Universal Credits applicants; or
- for up to 6 months and you're:
 - getting medical treatment (or your partner or child is); or
 - a mariner; or
 - an oil worker on the continental shelf; or
 - out of the UK because your partner, child or close relative has died

If your circumstances change for any other reason, for example you stop receiving Universal Credit or Working Tax Credits, or you retire, this will not affect your eligibility and you do not need to advise us of this. You can continue to save in your Help to Save account and receive any bonuses due.

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About Ipsos MORI's Social Research Institute

The Social Research Institute works closely with national governments, local public services and the not-for-profit sector. Its c.200 research staff focus on public service and policy issues. Each has expertise in a particular part of the public sector, ensuring we have a detailed understanding of specific sectors and policy challenges. This, combined with our methods and communications expertise, helps ensure that our research makes a difference for decision makers and communities.